

**A TOTAL REWARDS FRAMEWORK FOR THE ATTRACTION AND  
RETENTION OF THE YOUTH**

By

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## DECLARATION

### I. DECLARATION

I, Keshia Mohamed-Padayachee, student number 736-468-4, hereby declare that *A Total Rewards Framework for the Attraction and Retention of the Youth* is my own work. It is submitted in fulfilment of the requirements for the degree of Doctorate in Business Leadership, University of South Africa School of Business Leadership. It has not been submitted before for any degree or examination at any other university. I further declare that I have obtained the necessary authorisation to carry out this research, and that the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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SIGNATURE

Keshia Mohamed-Padayachee

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DATE

## II. ABSTRACT

**Orientation:** The face of the workforce as we know it, is changing dramatically through globalisation and the retirement of the older generation, and organisations are confronted with the need to change. Company strategies for attraction and retention require adaption, as the 'one-size-fits-all' model no longer appears to be appropriate for today's multigenerational workforce. As employers aim to attract and retain high-value youth employees, it is more important than ever to understand the total rewards expectations that will attract and retain them.

**Research purpose:** To determine what changes and priorities organisations need to consider for their total rewards models to attract and retain qualified youths entering the workforce.

**Motivation for the study:** The need to understand what intrinsic and extrinsic rewards are aligned with the aspirations and values of skilled youths, in an ongoing attempt to attract and retain them.

**Research methodology:** The researcher utilised a sequential mixed-method research approach to evaluate the effectiveness of the reward categories of the WorldatWork (2015) Total Rewards Model and other reward elements identified during the literature review. Data were collected in two phases, using quantitative and qualitative methods.

**Phase I:** The quantitative method entailed a research questionnaire, distributed to defined professional databases, tertiary institutions, private and public listed companies, as well as parastatals. The researcher distributed 450 questionnaires, of which 276 usable questionnaire responses were received — a response rate of 61.3%.

**Phase II:** The qualitative method utilised interviews exploring the results obtained from Phase I; 11 interviews were conducted with qualified youths and human resource (HR) practitioners (HR generalists and recruitment-, remuneration-, and organisation development specialists). Their responses were captured and analysed.

## ABSTRACT

In both Phase I and Phase II, data were gathered while ensuring a high ethical standard and adhering to the defined research approaches. The data were analysed using appropriate statistical techniques to determine the relationship between the variables, ensuring reliability, consistency, and generalisability in Phase I, and transferability, credibility, dependability, and confirmability in Phase II, where a combination of deductive (for quantitative research) and inductive (for qualitative research) methods was applied.

**Main findings/results:** It was evident from the results that a different approach was required for attraction and retention of the youth, and that the 'one-size-fits-all' approach of the past will not be effective in the future. Through the research processes, the researcher found that the reward categories of the WorldatWork (2015) model are currently effective in attracting and retaining young talent, but that more will be required in the future. A new total rewards framework was constructed, reflecting the youth's priorities, to aid attraction and retention of this generation.

### **Main outcomes:**

*Attraction:* Seven reward categories were found to affect the youth's attraction to organisations. These, in order of importance, are: (1) **leadership and environment** — supportive management and work environment, (2) **benefits** — retirement fund, medical aid, and leave, (3) **performance incentives** — long- and short-term incentives and share options; (4) **individual development**, (5) **a safe/secure working environment** — coaching/mentoring, working in different organisations to maximise career growth, CSR, and long-term job security; (6) **work-life and resources** — extended employee benefits and tools to execute one's work; (7) **performance recognition** — informal recognition and non-financial rewards; and **formal recognition** — formal recognition and lump-sum and annual bonus payments.

*Retention:* Seven reward categories were found to affect youths' retention in organisations. These, in order of importance, are: (1) **leadership and environment** — supportive management and environment; (2) **flexible and variable payment options** — flexible payment options and Salary/Pay; (3) **benefits** — retirement fund, medical aid, and leave; (4) **value-added benefits and services and individual development** — employee wellness, CSR, employee discounts, formal coaching or mentoring, and extended time off; (5) **recognition** — informal and formal recognition

## ABSTRACT

and non-financial rewards; (6) ***career development*** — Career/Growth opportunities and learning and development; and (7) ***incentives*** — long- and short-term incentives and share options.

**Research limitations:** This research was limited to skilled youths.

**Research implications, originality, and value:** No empirical study exists that authenticates the WorldatWork (2015) Total Rewards Model and Generation Y theory. As employers strive to attract and retain high-value young employees, it is more important than ever to understand the expectations of these employees. This study contributes to the body of knowledge by identifying the reward preferences of the youth by offering a relevant rewards framework for attraction and retention of the youth.

**Article type:** Research paper

## KEYWORDS

### III. KEYWORDS

Total rewards, WorldatWork total rewards model, remuneration, compensation, attraction, retention, youth, employee life stages, generational theories, Generation Y, Generation X, Baby Boomers

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## TABLE OF ABBREVIATIONS

### V. TABLE OF ABBREVIATIONS

Table 1 provides the most commonly used abbreviations in this research report.

**Table 1:** Table of abbreviations

Acronym	Description
<b>CLC</b>	Corporate Leadership Council
<b>CSR</b>	corporate social responsibility
<b>DUT</b>	Durban University of Technology
<b>EE</b>	employment equity
<b>EFA</b>	exploratory factor analysis
<b>EVP</b>	employee value proposition
<b>HR</b>	human resources
<b>HRG</b>	human resource generalist
<b>OD</b>	organisational development
<b>OHASA</b>	Occupational Health and Safety Act
<b>PwC</b>	PricewaterhouseCoopers
<b>SARA</b>	South African Reward Association
<b>UNISA SBL</b>	University of South Africa School of Business Leadership
<b>URL</b>	uniform resource locator

## VI. DESCRIPTION OF TERMS

Table 2 presents a summary of the key terms used in this research and a description of the terms in the context of this research report.

**Table 2:** Descriptions of terms

Term	Description
<b>13<sup>th</sup> cheque</b>	The guaranteed service- or year-end bonus that qualifying employees receive in addition to their monthly salary, at the end of each year, as part of their employment contract (Bussin, 2011)
<b>Employee discounts</b>	The discount given on the original price of goods or services by a company to their employees (Labour Guide, 2017)
<b>Employee value proposition (EVP)</b>	The value or benefit an employee derives from membership in an organisation (Heger, 2007)
<b>Employee wellness programmes</b>	Employee assistance programmes, wellness centres, a gym, crèche facilities, or any other initiatives that assist employees in managing their physical and psychological state of wellbeing and creating a better work–life balance (Sieberhagen, Pienaar & Els, 2011)
<b>Employment Equity Act</b>	The Employment Equity Act No. 55 of 1998 aims to achieve equity in the workplace by promoting equal opportunities and fair treatment in employment by eliminating unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupation categories and levels in the workforce (SAICA, 2016)
<b>Leave of absence</b>	Paid time off for annual rest, study, and whatever the employee wishes (WorldatWork, 2015)

## DESCRIPTION OF TERMS

Term	Description
<b>Long-term incentive</b>	A form of variable pay, a long-term incentive plan is defined as a reward system designed to improve employees' long-term performance by providing rewards that may not be tied to the company's share price (Arsalidou, 2015)
<b>Lump sum annual bonus payment</b>	Similar to a short-term incentive bonus payment, it is linked to individual performance — cash is paid out as a yearly bonus for merit (Heneman, 2002)
<b>Medical aid</b>	Primary health care made accessible at a cost a company an employee can afford, with methods that are practical, scientifically sound and socially acceptable (Nutbeam, 1998)
<b>Participants/ Interviewees</b>	Individuals who partook in the interviews during Phase II of the research
<b>Resources</b>	Assets employees require to successfully execute their work (PwC, 2013)
<b>Respondents</b>	Individuals who completed the questionnaire during Phase I of the research
<b>Retirement fund</b>	A fund established by an employer to facilitate and organise the investment of employees' retirement savings, to which both the employer and employees contribute, meant to generate stable growth over the long term and provide retirement pensions for employees (Mtayi, 1997)
<b>Sabbaticals and other scheduled time reductions</b>	A paid period of leave subject to certain conditions for the purpose of undertaking research or other appropriate study related to an academic or professional field (Creswell, 2012)
<b>Salary/Pay</b>	Any payment in money or even kind or both in money and kind, made or owing any person in return for that person working for any other person (South Africa Department of Labour, 2005)
<b>Share options</b>	A unit of ownership in a company; shares must be paid for in cash, except in the case of share schemes, which allow

## DESCRIPTION OF TERMS

Term	Description
	companies to finance the purchase of shares by employees (Bussin, 2011)
<b>Short-term incentive</b>	A form of variable pay, a short-term incentive is designed to focus and reward performance over a period of one year or less (WorldatWork, 2015)
<b>Variable pay</b>	Aligned with the level of performance or results achieved, it is a one-time payment that must be re-established and re-earned for each performance period (WorldatWork, 2015)

## Table of contents

I. DECLARATION .....	2
II. ABSTRACT.....	3
III. KEYWORDS.....	6
IV. ACKNOWLEDGEMENTS.....	7
V. TABLE OF ABBREVIATIONS.....	9
VI. DESCRIPTION OF TERMS.....	10
Table of contents.....	13
List of tables .....	21
List of figures.....	23
CHAPTER 1 .....	25
INTRODUCTION TO THE RESEARCH PROBLEM .....	25
1.1. Introduction.....	25
1.2. Background information.....	25
1.2.1 Generational theory .....	26
1.2.2 Total rewards .....	28
1.2.3 Attraction and retention.....	30
1.3 Background to the problem and problem statement .....	30
1.3.1 Background to the problem.....	30
1.3.2 Problem statement.....	31
1.4 Aim and objectives of the study .....	32
1.5 Rationale for the study.....	33
1.6 Current gaps in the literature that the study will address .....	34
1.7 Significance of the study .....	34
1.8 Research design and methodology .....	35
1.9 Overview of the report.....	36
1.10 Conclusion.....	38
CHAPTER 2 .....	39
THEORETICAL LITERATURE REVIEW.....	39
2.1. Introduction.....	39
2.2. Generational theory .....	40
2.3. The multi-generational workforce.....	42
2.3.1. Baby Boomers .....	43
2.3.2. Generation X.....	44
2.3.3. Generation Y.....	44

## Table of contents

2.4. Total reward systems.....	52
2.4.1 Total reward models .....	53
2.4.1.1 WorldatWork total rewards model.....	53
2.4.1.2 The Hay Group total rewards model .....	55
2.4.1.3 Zingheim and Schuster total rewards model.....	57
2.4.1.4 Towers Watson total rewards .....	59
2.4.1.5 The Towers Perrin total rewards model .....	60
2.4.1.6 Why the WorldatWork total rewards model was tested? .....	63
2.5. Life- and career-stage Models .....	65
2.5.1. Career-stage Model .....	65
2.5.1.1. The Entry stage .....	66
2.5.1.2. The Colleague stage.....	66
2.5.1.3. The Counsellor stage.....	67
2.5.1.4. The Advisor stage .....	67
2.5.2. Life-stage Model .....	69
2.6. Theories of motivation.....	71
2.6.1. Incentive theory of motivation .....	72
2.6.2. Maslow's hierarchy of needs.....	72
2.6.3. Herzberg's two-factor theory .....	74
2.6.4. Expectancy theory .....	76
2.6.5. Equity theory .....	76
2.7. Attraction and retention strategies .....	77
2.8. Categories and elements of rewards .....	78
2.8.1. Categories and elements derived from generation theory .....	78
2.8.2. Categories and elements derived from life and career stage models .....	79
2.8.3. Categories and elements derived from total rewards systems.....	79
2.8.3.1. WorldatWork total rewards model.....	80
2.8.3.2. Hay Group Total rewards model .....	80
2.8.3.3. Zingheim and Schuster total rewards model.....	80
2.8.3.4. Towers Watson total rewards model.....	81
2.8.3.5. The Towers Perrin total rewards model .....	81
2.8.4. Categories and elements derived from motivational theories .....	82
2.8.5. Categories and elements derived from attraction and retention strategies .....	83

## Table of contents

2.8.6. Summary of categories and elements derived from the theoretical literature review .....	83
2.9. Conclusion .....	84
CHAPTER 3 .....	87
RESEARCH METHODOLOGY .....	87
3.1. Introduction and overview .....	87
3.2. Research philosophy .....	87
3.2.1. Ontology .....	87
3.2.2. Epistemology .....	90
3.3. Research approach .....	92
3.3.1. Phase I: Quantitative research approach.....	93
3.3.2. Phase II: Qualitative approach.....	93
3.4. Research methodology .....	95
3.4.1. Phase I: Quantitative methods.....	97
3.4.2. Pilot study .....	98
3.4.3. The measuring instrument .....	99
3.4.3.1. Section A: Demographic data .....	99
3.4.3.2. Section B: Total Reward Elements .....	101
3.4.3.3. Section B: Total reward options' rank order .....	104
3.4.3.4. Section C: Feedback.....	104
3.4.4. Sampling methods .....	105
3.4.5. Data collection .....	107
3.4.6. Method of statistical analysis .....	108
3.4.6.1. Variable analysis.....	109
3.4.6.2. Frequency distribution.....	110
3.4.6.3. Chi-square test .....	110
3.4.6.4. Factor analysis.....	112
3.4.7. Generalisability .....	115
3.4.8. Validity and reliability .....	115
3.5. Phase II: Qualitative research.....	115
3.5.1. Sampling methods .....	116
3.5.2. Measuring instrument and pilot study .....	117
3.5.3. Scheduling the interviews .....	118
3.5.4. Data collection .....	119
3.5.5. Data analysis .....	119

## Table of contents

3.5.5.1. Stage 1: Interview guide developed .....	120
3.5.5.2. Stage 2: Interviews conducted, transcribed and grouped .....	121
3.5.5.3. Stage 3: Coding .....	121
3.5.5.3.1. Pre-set codes .....	121
3.5.5.3.2. Emergent codes .....	121
3.5.5.3.3. Codes refined .....	122
3.5.5.4. Stage 4: Themes .....	122
3.5.5.5. Stage 5: Narrative .....	122
3.5.5.5.1. Meaning condensation .....	124
3.5.5.5.2. Meaning categorisation .....	124
3.5.6. Transferability of the data .....	125
3.5.7. Credibility of the data .....	126
3.6. Ethical considerations .....	127
3.7. Conclusion .....	128
CHAPTER 4 .....	129
RESULTS: QUANTITATIVE RESEARCH .....	129
4.1. Introduction .....	129
PART I DESCRIPTIVE ANALYSIS .....	130
4.2. Demographic profile .....	130
4.2.1. Demographic profile of respondents .....	131
4.2.1.1. Year of birth by group .....	131
4.2.1.2. Gender .....	132
4.2.1.3. Race .....	133
4.2.1.4. Work experience .....	134
4.2.1.5. Relationship status .....	135
4.2.1.6. Education .....	136
4.2.1.7. Field of study .....	137
4.2.1.8. Province .....	137
4.2.1.9. Employment status .....	138
4.2.1.10. Employment sector .....	139
4.2.1.11. Living arrangements .....	139
4.3. Total rewards options .....	140
4.3.1. Total reward findings for <i>Attraction</i> .....	140
4.3.1.1. Remuneration .....	145
4.3.1.2. Benefits .....	146



## Table of contents

4.3.1.3.	Performance recognition .....	148
4.3.1.4.	Career development .....	148
4.3.1.5.	Work–life .....	150
4.3.1.6.	Safety/Security .....	150
4.3.1.7.	Social support .....	151
4.3.1.8.	Frequency distribution for <i>Attraction</i> .....	152
4.3.2.	Total reward findings for <i>Retention</i> .....	154
4.3.2.1.	Remuneration .....	158
4.3.2.2.	Benefits .....	159
4.3.2.3.	Performance recognition .....	160
4.3.2.4.	Career development .....	161
4.3.2.5.	Work–life .....	163
4.3.2.6.	Safety/Security .....	163
4.3.2.7.	Social support .....	164
4.3.2.8.	Frequency distribution for <i>Retention</i> .....	165
4.3.3.	Total reward categories' ranking .....	167
PART II INFERENTIAL ANALYSIS .....		169
4.4.	Associations between demographic characteristics and reward preferences .....	169
4.5.	Study hypotheses .....	176
4.5.1.	Hypothesis testing results for <i>Attraction</i> .....	177
4.5.2.	Hypothesis testing results for <i>Retention</i> .....	181
4.6.	Factor analysis .....	184
4.6.1.	Factor analysis for <i>Attraction</i> .....	184
4.6.2.	Factor analysis for <i>Retention</i> .....	189
4.7.	Reliability .....	193
4.8.	Total rewards framework for the youth .....	196
4.8.1.	Evaluation of the WorldatWork total rewards .....	198
4.8.2.	Ranking the reward factors .....	199
4.8.2.1.	Attraction .....	199
4.8.2.2.	Retention .....	199
4.9.	Conclusion .....	200
CHAPTER 5 .....		202
RESULTS: QUALITATIVE RESEARCH .....		202
5.1.	Introduction .....	202

## Table of contents

5.2. Background.....	202
5.3. Qualitative findings .....	202
5.3.1. Section A: Demographics .....	203
5.3.1.1. Youths.....	203
5.3.1.2. HR generalists (HRGs) .....	204
5.3.1.2.1. Recruitment specialists .....	204
5.3.1.2.2. Remuneration specialist.....	204
5.3.1.2.3. OD specialists .....	204
5.3.2. Section B: Total rewards options .....	205
5.3.2.1. Life- and career-stage models .....	206
5.3.2.2. Remuneration .....	207
5.3.2.2.1. Salary/Pay .....	208
5.3.2.2.2. 13th cheque .....	209
5.3.2.2.3. Short-term incentives .....	210
5.3.2.2.4. Long-term incentives.....	211
5.3.2.2.5. Share options.....	212
5.3.2.2.6. Base salary and bonuses.....	213
5.3.2.2.7. Smaller bonuses, paid intermittently .....	214
5.3.2.3. Benefits.....	215
5.3.2.3.1. Medical aid.....	215
5.3.2.3.2. Retirement fund .....	216
5.3.2.3.3. Leave .....	217
5.3.2.3.4. Employee discounts.....	219
5.3.2.3.5. Employee wellness offering .....	220
5.3.2.3.6. Sabbaticals or other scheduled time reductions .....	221
5.3.2.4. Performance recognition.....	222
5.3.2.5. Career development .....	223
5.3.2.5.1. Career/Growth opportunities .....	223
5.3.2.5.2. Maximise career progression.....	224
5.3.2.5.3. Maximise career earnings potential .....	225
5.3.2.5.4. Bursary opportunities .....	225
5.3.2.5.5. Learning and development opportunities .....	225
5.3.2.6. Work–life .....	226
5.3.2.6.1. Formal coaching or mentoring programmes .....	227
5.3.2.6.2. Flexible work arrangements.....	228

## Table of contents

5.3.2.6.3. Corporate social responsibility .....	229
5.3.2.6.4. Travel and location.....	229
5.3.2.7. Safety/Security.....	230
5.3.2.7.1. Longer-term job security (> 12 months) .....	230
5.3.2.8. Social support .....	231
5.3.2.8.1. Supportive management and environment .....	232
5.3.2.9. Resources.....	232
5.3.2.10. Rankings.....	233
5.4. Attraction and Retention .....	233
5.5. Frequency and statistical analysis .....	235
5.6. Developed total rewards framework .....	238
5.6.1. Total Reward Framework for the Youth .....	255
5.6.2. Leadership and environment .....	256
5.6.2.1. Supportive management and work environment.....	257
5.6.2.2. Resources.....	257
5.6.2.3. Safe/Secure work environment.....	257
5.6.2.4. Longer-term job security .....	257
5.6.2.5. Career/Growth and learning and development opportunities.....	258
5.6.2.6. Salary/Pay .....	258
5.6.3. Benefits.....	258
5.6.4. Flexible, variable, and fixed pay options .....	259
5.6.5. Career- and individual development .....	259
5.6.6. Work–life.....	259
5.6.7. Recognition.....	259
5.6.7.1. Formal recognition .....	260
5.6.7.2. Informal recognition .....	260
5.6.7.3. Non-financial rewards .....	260
5.7 Conclusion .....	261
CHAPTER 6.....	262
DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS .....	262
6.1. Introduction.....	262
6.2. Discussion of results.....	263
6.2.1. Generational theory .....	263
6.2.2. Theories of motivation.....	264
6.2.2.1. Incentive theory of motivation .....	264

## Table of contents

6.2.2.2. Maslow's hierarchy of needs .....	264
6.2.2.3. Herzberg's two-factor theory .....	265
6.2.2.4. Expectancy theory .....	266
6.2.2.5. Equity theory .....	266
6.2.3 Total reward options .....	268
6.2.3.1 Demographic differences in reward preferences .....	268
6.2.3.2 Total reward categories and elements for attraction and retention of the youth .....	269
6.2.4 The youths work preferences.....	270
6.3 Research objectives .....	272
6.4 Conclusion .....	275
6.5 Evaluation and limitations of the study .....	276
6.6 Original contribution of the study .....	276
6.7 Recommendations and policy implications .....	277
6.8 Future research opportunities .....	277
LIST OF REFERENCES .....	279
APPENDIXES .....	291
Appendix A: Research questionnaire .....	291
Appendix B: Research interview guide.....	300
Appendix C: Chapter 5 interview responses .....	307
Appendix D: Transcripts by category and code.....	342
Appendix E: Editing certificate.....	351

### List of tables

<b>Table 1:</b> Table of abbreviations .....	9
<b>Table 2:</b> Descriptions of terms .....	10
<b>Table 3:</b> The multi-generational workforce.....	47
<b>Table 4:</b> Zingheim and Schuster (2000) Total Rewards Model .....	58
<b>Table 5:</b> Summary of total rewards models.....	61
<b>Table 6:</b> Career stage and key development tasks.....	68
<b>Table 7:</b> Life-stage model .....	69
<b>Table 8:</b> Summary of total rewards models.....	83
<b>Table 9:</b> Difference between positivism and interpretivism paradigms .....	89
<b>Table 10:</b> Summary of the research approach.....	94
<b>Table 11:</b> Summary of research methodology used.....	96
<b>Table 12:</b> Alignment of research objectives .....	98
<b>Table 13:</b> Questions related to demographic data .....	100
<b>Table 14:</b> Measurement scale.....	101
<b>Table 15:</b> Section B: Total rewards — category, definition and elements/codes ...	102
<b>Table 16:</b> Section B: Total reward definitions (continued).....	103
<b>Table 17:</b> Ranked total rewards category .....	104
<b>Table 18:</b> Sampling methods .....	105
<b>Table 19:</b> Variable analysis.....	110
<b>Table 20:</b> Frequency distribution description .....	110
<b>Table 21:</b> Research execution summary.....	127
<b>Table 22:</b> Frequency analysis: <i>Attraction</i> .....	143
<b>Table 23:</b> Quantitative findings: <i>Remuneration</i> .....	145
<b>Table 24:</b> Quantitative results: <i>Benefits</i> .....	147
<b>Table 25:</b> Quantitative findings: <i>Performance recognition</i> .....	148
<b>Table 26:</b> Quantitative findings: <i>Career development</i> .....	149
<b>Table 27:</b> Quantitative findings: <i>Work–life</i> .....	150
<b>Table 28:</b> Quantitative findings: <i>Safety/Security</i> .....	150
<b>Table 29:</b> Quantitative findings: <i>Social support</i> .....	151
<b>Table 30:</b> Frequency distribution for <i>Attraction</i> .....	153
<b>Table 31:</b> Frequency analysis: <i>Retention</i> .....	156
<b>Table 32:</b> Quantitative findings: <i>Remuneration</i> .....	158
<b>Table 33:</b> Quantitative findings: <i>Benefits</i> .....	160
<b>Table 34:</b> Quantitative findings: <i>Performance recognition</i> .....	160

## List of tables

<b>Table 35:</b> Quantitative findings: <i>Career development</i> .....	161
<b>Table 36:</b> Quantitative findings: <i>Work–life</i> .....	163
<b>Table 37:</b> Quantitative findings: <i>Safety/Security</i> .....	163
<b>Table 38:</b> Quantitative findings: <i>Social support</i> .....	164
<b>Table 39:</b> Frequency distribution for <i>Retention</i> .....	166
<b>Table 40:</b> Total rewards categories: Ranking <i>Attraction and Retention</i> .....	168
<b>Table 41:</b> Statistical analysis summary: <i>Attraction and Retention</i> .....	169
<b>Table 42:</b> Demographic analysis: Pearson chi-square test.....	170
<b>Table 43:</b> Demographic analysis: Pearson chi-square test: Significant difference. ....	174
<b>Table 44:</b> Hypothesis test summary for <i>Attraction</i> .....	178
<b>Table 45:</b> Hypothesis test summary for <i>Retention</i> .....	181
<b>Table 46:</b> Factor analysis for <i>Attraction</i> : Respondents born 1981–2000 .....	185
<b>Table 47:</b> Factor analysis for <i>Attraction</i> by rotated component group.....	185
<b>Table 48:</b> Factor analysis for attraction by rewards component.....	188
<b>Table 49:</b> Factor analysis for <i>Retention</i> : Respondents born 1981–2000 .....	189
<b>Table 50:</b> Factor analysis for <i>Retention</i> by rotated component group.....	190
<b>Table 51:</b> Factor analysis for <i>Retention</i> by rewards component .....	192
<b>Table 52:</b> Case processing summary: <i>Attraction and Retention</i> — 30 items.....	193
<b>Table 53:</b> Reliability statistics: <i>Attraction and Retention</i> — 30 items .....	194
<b>Table 54:</b> Case processing summary: Ranking .....	194
<b>Table 55:</b> Reliability statistics: Ranking order .....	195
<b>Table 56:</b> Factor analysis: Cronbach alpha .....	195
<b>Table 57:</b> Qualitative results .....	236
<b>Table 58:</b> Summary of the results .....	239
<b>Table 59:</b> Research findings regarding theories of motivation .....	267

## List of figures

<b>Figure 1:</b> The Research Process.....	37
<b>Figure 2:</b> Overview of the literature review .....	40
<b>Figure 3:</b> Reward preferences of Generation Y .....	51
<b>Figure 4:</b> WorldatWork Total Rewards Model.....	54
<b>Figure 5:</b> The Hay Group Total Rewards Model.....	56
<b>Figure 6:</b> Hay Group Key Elements of the Total Rewards Model .....	57
<b>Figure 7:</b> Towers Watson (2012) Total Rewards.....	59
<b>Figure 8:</b> Towers Perrin Total Rewards Model .....	61
<b>Figure 9:</b> Career-stage Model mapped by generation .....	69
<b>Figure 10:</b> Maslow's hierarchy of needs .....	73
<b>Figure 11:</b> Maslow's hierarchy of needs and total rewards.....	73
<b>Figure 12:</b> Two-factor theory .....	75
<b>Figure 13:</b> Vroom's expectancy theory .....	76
<b>Figure 14:</b> Attraction and retention strategies for the youth.....	78
<b>Figure 15:</b> Statistical analysis approach.....	109
<b>Figure 16:</b> Deductive and inductive approach applied.....	120
<b>Figure 17:</b> Streamlined codes for qualitative theory .....	123
<b>Figure 18:</b> The statistical analyses framework .....	130
<b>Figure 19:</b> Age groups.....	132
<b>Figure 20:</b> Race representation.....	133
<b>Figure 21:</b> Respondents born 1981–2000 by race .....	134
<b>Figure 22:</b> Years Work experience.....	135
<b>Figure 23:</b> Relationship status.....	135
<b>Figure 24:</b> Education .....	136
<b>Figure 25:</b> Field of study.....	137
<b>Figure 26:</b> Province .....	138
<b>Figure 27:</b> Employment status.....	139
<b>Figure 28:</b> Employment sector .....	139
<b>Figure 29:</b> Living arrangements .....	140
<b>Figure 30:</b> Quantitative findings: Top 7 rewards for <i>Attraction</i> .....	144
<b>Figure 31:</b> Reward elements not listed for <i>Attraction</i> .....	152
<b>Figure 32:</b> Quantitative findings: Top 7 rewards for <i>retention</i> .....	157
<b>Figure 33:</b> Reward elements not listed for <i>retention</i> .....	165

## List of figures

<b>Figure 34:</b> Factor analysis: Top 8 reward preferences for <i>Attraction</i> and <i>Retention</i> of the youth .....	197
<b>Figure 35:</b> WorldatWork Total Rewards Model and Youth Total Reward Framework .....	198
<b>Figure 36:</b> Summary of codes .....	206
<b>Figure 37: Total Rewards Framework for the Youth</b> .....	256
<b>Figure 38:</b> Adapted Two-factor Theory .....	265
<b>Figure 39:</b> Adapted Expectancy Theory .....	266
<b>Figure 40:</b> Developed Total Rewards Framework for the Youth.....	275



## CHAPTER 1

### INTRODUCTION TO THE RESEARCH PROBLEM

#### 1.1. Introduction

Organisational environments are characterised by increasing shortages of skilled labour, and designing employment systems that prioritise human resource development to create a competitive advantage has become imperative (Holland, Sheehan, De Cieri, 2007).

Rewards drive employee morale; therefore, employee rewards distribution has always loomed large in organisations (Appelbaum, Serena & Shapiro, 2005). With labour costs accounting for more than 50% of the total costs of doing business, strategic management of human capital assets is of primary importance. For employees, an equitable rewards distribution system signals management's emphasis on valuing employees (Datta, 2012).

Incentives play an important role in attracting, motivating, rewarding, energising, and retaining employees, and a 'one-size-fits-all' plan is not appropriate for today's multigenerational workplace (Hewitt Aon (Aon), 2016). Flexible work arrangements and other initiatives aimed at enhancing quality of life have universal appeal (Nelson, 1999). The focus and purpose of the present research is to identify what intrinsic and extrinsic rewards are important to skilled and qualified youth employees born in the years 1980 to 2000, with reference to the reward categories of total rewards models, generational and motivational theories and attraction and retention strategies. This research will inform organisations regarding the remuneration and benefits they can incorporate into their total reward strategies to attract and retain skilled and qualified youths.

#### 1.2. Background information

The South African National Youth Policy (2009) defines *youths* as persons between the ages of 14 and 35 years. This wide scope of youths includes those who have been exposed to different socio-political and historical experiences.

## INTRODUCTION TO THE RESEARCH PROBLEM

Today, a 35-year-old youth lived during a period of heightened political conflicts, when he or she was a learner in school, while a 14-year-old youth is growing up in an environment where many of the new reforms and aims of political struggles are being realised. It is for these reasons that the researcher considered generational theories, which reviews generations over the same time span.

Strauss and Howe (1991) define a generation as a unique cohort born within a period of about 20 years, whose boundaries are fixed by peer personality. The group encounters key historical events and social trends while occupying the same phase of life. Bell and Narz (2007) describe generations as defined by demographics and key life events that shape, at least to some degree, distinctive generational characteristics.

Based on the above definitions, the researcher identified the parallel between the South African National Youth Policy (2009) and Strauss and Howe's (1991) generational theories to describe the modern-day youth employee.

### **1.2.1 Generational theory**

Today's workplace consists of three generations: Baby Boomers, Generation X, and Generation Y, who have been influenced by the events of their time, creating new challenges for employers (Kapoor & Solomon, 2011). The research will review all three these generations, with a specific emphasis on Generation Y as representing youth employees. While the outgoing generation of Baby Boomers and the existing workforce of Generation X have shaped the working environment of today, the emerging Generation Y will contribute to shaping the workforce over the years to come.

For the purposes of this study, Generation Z, has not been included due to the ages of this generation who have largely not entered the workforce. This generation has been defined as teenagers by Howe and Strauss (2005) and excluded from the South African National Youth Policy (2009).

A 14<sup>th</sup> century Bedouin, Ibn Khaldun (1332–1406), was the first philosopher to describe a four-generation cycle in detail. The works of Greek historian Cicero (106 BC–43 BC), Greek writers Heraclitus (1912) and Homer (700–800 BC), Chinese

## INTRODUCTION TO THE RESEARCH PROBLEM

philosopher Lin Yuang (1895–1976), and the Old Testament (especially the book of Judges), show that this cyclical nature of history and generational development have not just been recently noticed. Historically, philosophers who have attempted to describe generational theory include Auguste Comte (1865), Maximilien Littre (1859), John Stuart Mill (1974), Ottokar Lorenz (1861), Wilhelm Dilthey (1883), and Emile Durkheim (1887). The primary European contributors to the generational theory in the 20<sup>th</sup> century have been Jose Ortega y Gasset (1923), Julius Peterson (1930), Wilhelm Pinder (1926), Julian Marias (1961), and Pierre Bourdieu (1972). Their works were popularised by the writings of Howe and Strauss (1990), and Codrington and Grant-Marshall (2008).

Strauss and Howe (1991) based their definition of a generation on the work of various writers and social philosophers, from ancient writers to modern social theorists such as José Ortega y Gasset and Karl Mannheim (1923), John Stuart Mill (1947), Maximilien Littre (1859), Auguste Comte (1798) and François Mentré (1920).

Generational theory is sometimes considered contentious, especially because psychologists have over-used the generational labels; and sociologists have not sufficiently established commonly accepted definitions. However, there is comprehensive evidence and on-going research to show that a generational approach to understanding society and groups of people is scientifically acceptable and well-grounded in respectable social science. Generational differences reflect changes in the culture as a whole, and are a useful proxy for the socio-cultural environment of different time periods (Twenge, 2010).

The present study is focused on youths born from 1981 to 2000, aligned with the definition of the South African National Youth Policy (2009) and the description of Generation Y of Strauss and Howe (1991). Members belonging to the other age groups with the exception of Generation Z were also included for comparison purposes, aligned with the descriptions of Generation X and Baby Boomers of Strauss and Howe (1991).

The proposed research will review the empirical evidence on generational theory in terms of work values, in order to give managers, human resource (HR) practitioners, and other interested parties responsible for attracting and retaining high-value

## INTRODUCTION TO THE RESEARCH PROBLEM

multigenerational employees, a clearer picture of what attracts and retains the youth entering today's multigenerational workplace. This will provide leadership with an enhanced understanding of these new employees, their reward expectations, and their priorities, which will assist employers in creating job offerings and work environments that are more likely to attract and retain them (Ng, Schweitzer & Lyons, 2010).

As employers strive to attract and retain high-value young employees, it is more important than ever for employers to understand the expectations that the youth bring to the labour market (Ng, et al, 2010). Rewards must make joining or staying with an organisation more attractive to the youth entering the workforce, given that rewards are a core organisational reality that drives employee morale. This research will evaluate total reward models and Generation Y theories, as well as the opportunities that exist in designing total rewards structures for young, educated employees, in an area in which little empirical research has been done.

The literature highlights that each generation has distinct characteristics, which affect how the war for talent is waged (Twenge, 2010). The three generations currently in the workplace will therefore be evaluated to determine and differentiate the preferences of Generation Y. Companies must make workplace adjustments in order to create a productive environment for all employees, regardless of their generation (Kapoor & Solomon, 2011). Due to its size, compared to the smaller Generation X and the gradual retirement of Baby Boomers, Generation Y has the potential of having a large influence on the work environment (Borngräber-Berthelsen, 2008), which cannot be ignored.

### **1.2.2 Total rewards**

As described by Wang (2012), in the early 20<sup>th</sup> century, changes to business landscape gave birth to a new discipline, which is, industrial and labour relations. Labour unions rose, workers' benefits increased, and the first eight-hour workdays were introduced in India and later adopted by Ford in the United States of America. Personnel management emerged as a discipline, and the mid-1930s saw the development of labour protection and, with it, collective bargaining. In the 1940s, fringe benefits emerged, and compensation and benefits as well as administration positions were created in organisations when annual increases were introduced. The 1950s saw the implementation of executive compensation surveys and the use of

## INTRODUCTION TO THE RESEARCH PROBLEM

stock options to remunerate executives. In 1955, the WorldatWork was founded. In the 1960s, the field of HR management was born. In the 1970s, new terms emerged; the term *work–life balance* was coined in the United Kingdom, and organisations began measuring performance and competence, and instituting telecommuting and flexible benefits. Germany originated flexi-time, and childcare became a workplace issue. In the 1980s, HR systems were developed, and technology began to make HR management more efficient and effective. The 1990s saw the emergence of strategic pay concepts, offshoring, skyrocketing CEO pay, and labour legislation being enacted. Total rewards were first used in the 1990s, and the stock-market crash helped to bring to an end defined benefit plans. The Pension Protection Act (2006), of America was promulgated, and investors started having a say in employees' pay (Wang, 2012).

The idea of total rewards emerged in the 1990s, and, in 2000, WorldatWork introduced its first total rewards model after discussions with leading thinkers in the field. The WorldatWork Total Rewards Model was intended to advance the concept of rewards, and help practitioners think about and execute remuneration in new ways. From 2000 to 2005, the body of knowledge associated with total rewards became more robust as practitioners experienced the power of integrated strategies. During the past two decades, various total rewards models were published. Each approach presents a unique point of view, but all of the models recognise the importance of leveraging multiple programmes, practices, and cultural dynamics to satisfy and engage the best employees, contributing to improved business performance and results (Wang, 2012).

It has become clear that the battle for talent involves much more than highly effective, strategically designed compensation and benefits programmes. While these programmes remain critical, the most successful companies have realised that they must take a much broader look at the factors involved in attraction, motivation, and retention. They must employ all the factors — including compensation, benefits, work–life, performance recognition, development, and career opportunities — to their strategic advantage (Wang, 2012).

To understand the rewards required to attract and retain talent, the researcher will review the total rewards models, discussed in chapter 2, which include and will hereafter be referred to as WorldatWork (2015), Hay Group (2008), Zingheim and Schuster (2000), Towers Watson (2012), and Watson Perrin Total Rewards Models

## INTRODUCTION TO THE RESEARCH PROBLEM

(Armstrong, 2010). Emphasis will be put on the reward categories of the WorldatWork (2015) Total Rewards Model.

### **1.2.3 Attraction and retention**

Scholars have long noted that the ability to attract and retain high-quality workers is critical to organisational competitiveness (Holland, Sheehan, De Cieri, 2007). Research conducted by Aon (2012) across many disciplines indicates that a combination of rewards offered by an employer represents a system of inducements, where different reward elements drive different behaviours and outcomes. Some rewards are strong attractors, while others play a more important role in motivating or engaging employees. This insight is collaborated by the researcher's personal experience. Failure to identify and properly manage rewards can ultimately lead to a reduced ability to attract and retain employees. Furthermore, understanding what attracts employees is just as important as understanding what retains them.

## **1.3 Background to the problem and problem statement**

### **1.3.1 Background to the problem**

For years, employers have been aware of employee attraction and retention issues in their workplaces (Gilbert, 2011). Organisations have one engagement policy (without any differentiation for the generations of employees), yet these generations have different needs, desires, and attitudes, and none of the existing total rewards frameworks can address this issue effectively, especially as far as the youth is concerned, who represent the vastest generation (Myers & Dreachslin, 2007; Rollsjö, 2009; Crampton & Hodge, 2006). As Generation Y grows into the workforce and Baby Boomers retire, managers and HR practitioners will need to develop new models for attraction and retention, taking into account the generational differences between Baby Boomers, Generation X, and Generation Y (Gilbert, 2011).

The profile of employees is changing, with members of Generation Y graduating and entering the workforce. They are the fastest-growing segment of today's workforce. As organisations compete for available talent, employers cannot ignore the needs, desires, and attitudes of this vast generation (Kane, 2012).

## INTRODUCTION TO THE RESEARCH PROBLEM

According to Bussin (2014), organisations are challenged by increasing difficulty in attracting and retaining the youth. While organisations are easily able to attract unemployed youths, once these employees have gained the necessary experience and become marketable, organisations are finding it difficult to retain them. Organisations are faced with the challenge of understanding why these employees are leaving and how they need to change their reward strategies to attract and retain high-calibre employees (Gilbert, 2011).

One-size-fits-all plans are not appropriate for today's multigenerational workplace (Aon, 2016). In addition, existing rewards models were developed by previous generations for previous generations.

The purpose of the present study therefore, is to determine if Generation Y is different from the previous generations, and, if so, to develop a more effective total rewards framework, consisting of the rewards that will attract and retain the youth in organisations. The research will consider previous generations' reward preferences, which will assist in answering the research question whether a different rewards model is required to attract and retain youth employees in organisations.

Understanding the external and internal rewards that incentivise skilled and qualified youths to determine what changes and priorities organisations need to consider for their total rewards models to attract and retain these youths entering the workforce is critical. This research will inform organisations regarding the remuneration and benefits they can incorporate into their total reward strategies to attract and retain skilled and qualified youths. This was the matter, which the researcher focused on together with the degree of the importance of each of these to the youth in this research.

### **1.3.2 Problem statement**

Based on the abovementioned, the research problem is framed in terms of the following research question:

**How can a total rewards framework for the youth be conceptualised best?**

The sub-research questions are:

## INTRODUCTION TO THE RESEARCH PROBLEM

1. Is the reward categories of the WorlDatWork (2015) Total Rewards Model effective in attracting the youth?
2. Is the reward categories of the WorlDatWork (2015) Total Rewards Model effective in retaining the youth?

With reference to generational theory, motivational theories, total reward models, and attraction and retention strategies (described in Chapter 2) the sub-research questions are as follows:

3. Which rewards factors attract the youth to organisations?
4. Which reward factors retain the youth in organisations?
5. What changes are to be made to the WorlDatWork (2015) Total Rewards Model for it to be more effective in attracting and retaining the youth?

### **1.4 Aim and objectives of the study**

To evaluate the effectiveness of the reward categories of the WorlDatWork (2015) total rewards model and other total reward models in order to determine what changes need to be made to it; and identify the factors (of attraction and retention of the youth in organisations) from other total reward models and literature; and subsequently develop a more relevant total rewards framework for the youth.

The specific objectives of the study are to:

- evaluate the effectiveness of the reward categories of the WorlDatWork (2015) Total Rewards Model;
- identify the factors that attract the youth to organisations;
- identify the factors that retain the youth in organisations;
- determine what changes need to be made to the reward categories of the WorlDatWork (2015) Total Rewards Model to make it more effective; and
- develop an effective total rewards framework for attracting and retaining the youth.



## INTRODUCTION TO THE RESEARCH PROBLEM

### Hypotheses

The following hypotheses will be tested:

1. **H<sub>0</sub>1**: There is no association between the reward categories (e.g., remuneration, benefits, performance recognition, etc.) that attract people to organisations and the generation to which they belong.

**H<sub>a</sub>1**: There is an association between the reward categories that attract people to organisations and the generation to which they belong.

2. **H<sub>0</sub>2**: There is no association between the reward categories that retain people in organisations and the generation to which they belong.

**H<sub>a</sub>2**: There is an association between the reward categories that retain people in organisations and the generation to which they belong.

### 1.5 Rationale for the study

Too often, companies offer their employees benefits that they do not want or value as highly as others do. Employers need to establish what their employees want, and tailor their total rewards offering accordingly (Aon, 2012). Employees cannot be treated as one homogeneous group, and good employers will increasingly want to ensure a fit between benefits and the preferences and requirements of individual employees (Silverman & Riley, 2003).

The reward needs of employees are an important consideration in designing a total rewards strategy. Understanding employees' reward preferences will therefore influence the reward strategy, which will, in turn, shape the total rewards framework (Giancola, 2008). In this regard, Menefee and Murphy (2004) stated, "The employee value rankings of the monetary and non-monetary rewards provide a blueprint for total reward packages offered to employees" (Nienaber, 2008: 34).

A total rewards strategy with a detailed framework is integral to an organisation's success. In designing the framework, the components offered by competitor organisations should be considered, as well as the value that employees attach to the respective components (Corporate Leadership Council (CLC), 2005).

Young employees are critical to the future success of all organisations, due to the fact that Baby Boomers, currently the largest generation of active workers, are retiring from

## INTRODUCTION TO THE RESEARCH PROBLEM

the workforce (Engelman, 2009; Gilbert, 2011). By understanding what youths are seeking when joining, or why they are leaving, organisations will be better equipped to appropriately adapt their total rewards model to increase employee motivation and engagement. Sufficient literature exists in this area, which the researcher will explore in Chapter 2, in addition demonstrating what the contribution of the present research is to the body of knowledge.

This study is intended to answer the question of what changes are required to be made to the reward categories of the WorldatWork (2015) Total Rewards Model, which organisations need to incorporate, to attract and retain this talented group of individuals. This study aims to develop a total rewards framework for the youth that meets the specific preferences of this generation.

### **1.6 Current gaps in the literature that the study will address**

There is a need to evaluate what attracts the youth to organisations and then retains them. Existing total rewards models, including the WorldatWork (2015) Total Rewards Model, do not adequately cater for individual generations' needs and preferences, due to a lack of information. This is particularly important when one considers the attraction and retention of the youth in organisations, as the youth is increasingly becoming a formidable factor in organisations' success and sustainability. This study determined the needs and preferences of the different generations, for differentiation in reward offerings, with the aim of providing an effective total rewards framework for the youth.

### **1.7 Significance of the study**

The research results will aid understanding of the youth reward preferences through an appreciation of how to manage them through appropriate rewards, in order to amplify the contribution, they make to organisations. The study proposes a total rewards framework informed by the reward priorities of the youth.

Empirical evidence supports and highlights the reward preferences of the youth, making a positive contribution to managing rewards in a challenging work environment. In Chapter 6, the researcher highlights some of the characteristics that differentiate the youth from other generations, thereby substantiating the need for a

## INTRODUCTION TO THE RESEARCH PROBLEM

differentiated rewards model. Furthermore, the study highlights the lack of research focused on the youth, thereby contributing to the existing literature. The study aims to demonstrate that “the right total reward strategy can deliver the right amount to the right people at the right time, for the right reasons” (Nienaber, 2008: 37).

The study also contributes to the body of knowledge in this arena, and, as a result, is beneficial to academics, practitioners and students in the field of HR management.

### **1.8 Research design and methodology**

A sequential mixed-methodology approach was adopted, in which a survey and interviews was conducted to collect the necessary data, to be objectively analysed, in order to answer the research question and sub-questions. Creswell and Clark (2007) defines mixed-methods research as a methodology for collecting, analysing, and integrating and writing the results of a study, while qualitative research is the approach to data collection, analysis, and report writing differing from the traditional, quantitative approaches.

The sequential mixed-methods approach was employed in this research. The study consisted of two phases, namely, quantitative and qualitative phases. In Phase I (quantitative), a survey questionnaire was used to collect quantitative data from professional databases and respondents (including students and employed youths) situated in tertiary institutions, private and public companies, as well as parastatals.

Phase II entailed a qualitative study in which interviews were conducted to collect detailed qualitative data to explain and interpret the results of Phase I in detail. A semi-structured interview guide was used. Rich and in-depth information aided validation of the preliminary conclusions drawn from the quantitative data collected in Phase I, by adding explanations and interpretations of the identified significant relationships between the key variables and the factors that are considered to affect the attraction and retention of the youth in organisations. In other words, the qualitative results filled the gaps in the explanations and interpretations of the results of the quantitative research. Details of the research design and methodology are provided in Chapter 3.

## INTRODUCTION TO THE RESEARCH PROBLEM

The methodology assisted the collection of the necessary data for analysis to subsequently develop a new total rewards framework built on the WorldatWork (2015) Total Rewards Model. The design of the data collection tool, apart from focusing on the WorldatWork (2015) Total Rewards Model, was also based on other popular rewards models including the Hay Group (2008), Zingheim and Schuster (2000), Towers Watson (2012), and Towers Perrin (Armstrong, 2010)—generation and motivation theories.

The reason for this was to review all the existing relevant and current theoretical literature (which included these rewards models), and identify all the potential rewards factors for the attraction and retention of the youth in the workplace. By investigating all the potential factors that play a role in the desired remuneration of the youth, the researcher could modify the WorldatWork (2015) Total Rewards Model by adding and subtracting from it, in order to develop a more comprehensive and effective total rewards framework for the youth.

### **1.9 Overview of the report**

The next chapter provides an overview of the existing literature on the theoretical frameworks of generational theory and theories of motivation, setting the context and highlighting the dynamics of the problem. The theoretical literature review, in addition, presents an overview of the subject of attraction and retention of the youth, demonstrating the importance of the research question and sub-questions previously stated.

The theoretical literature review will also discuss career- and life-stage models, and will highlight conflicting research results. The review will, further, discuss the relationship between generation theory and reward preferences. A review of total reward frameworks and the total rewards models that informed the research design and methodology is provided in Chapter 3. Total rewards will be presented as a combination of financial and non-financial rewards given to employees in exchange for their efforts (Christopherson & King, 2006).

Chapter 3 will describe how the researcher went about addressing the research questions by selecting the appropriate research approach, design, and methodology,

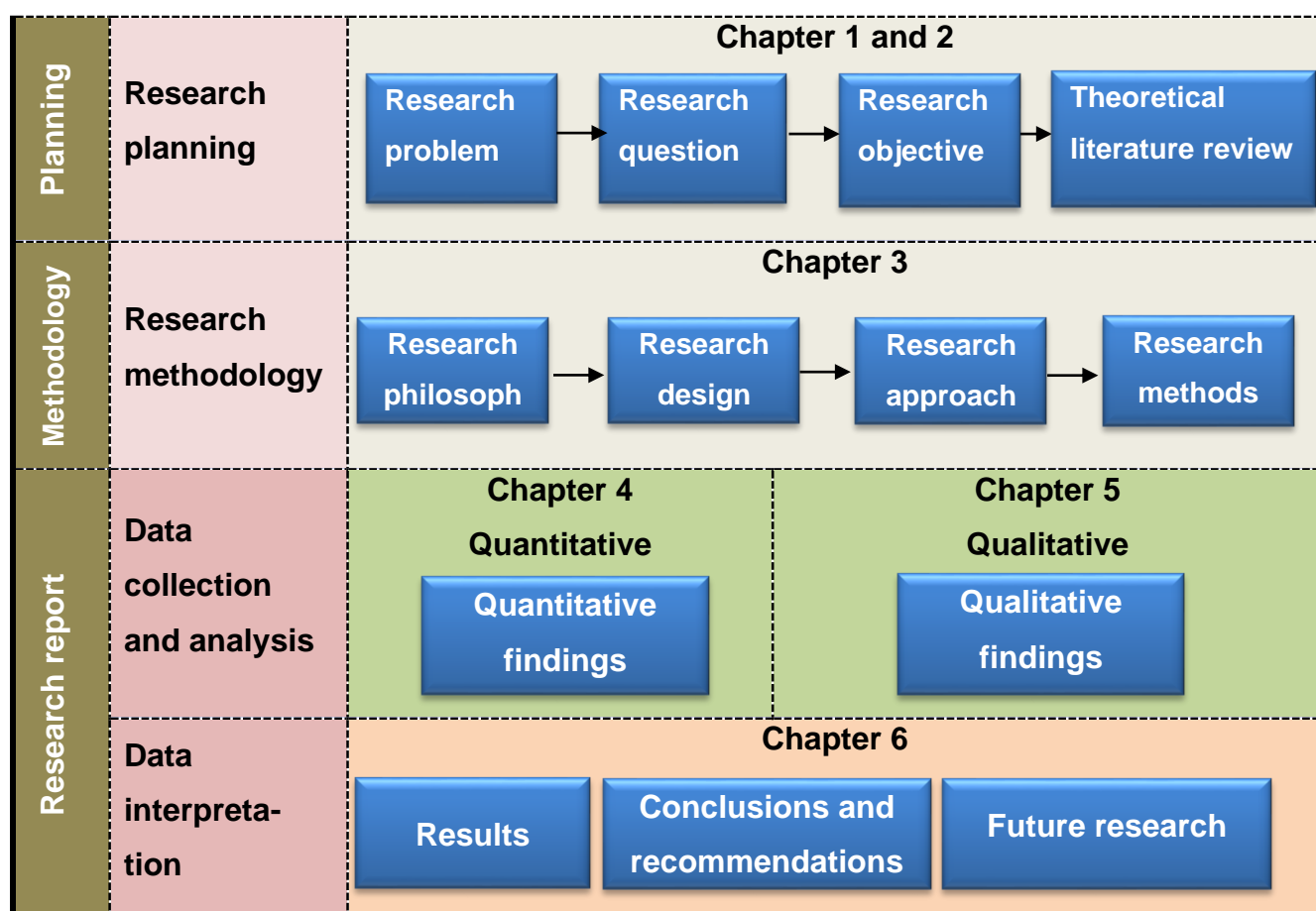
## INTRODUCTION TO THE RESEARCH PROBLEM

as well as ensuring that the research met the requirements for validity and reliability, as well as ethical standards.

Chapters 4 and 5 will provide the answers to the research question and sub-questions by presenting the results of the statistical analyses and qualitative results respectively.

Chapter 6 will discuss the results and present the conclusions, recommendations, and the original contribution of the research to the body of knowledge. This chapter will interpret and describe the significance of the findings in light of what is already known about the research problem under investigation (discussed in Chapter 2). The discussion will connect the research questions and the hypotheses tested, and will explain how the study moves the understanding of the research problem forward.

The final chapter will not be merely a summary of the findings, but will also be a synthesis of the key findings. Limitations of the study and opportunities for future research will also be discussed. Figure 1 presents an overview of the research process that was followed in the research.



**Figure 1:** The Research Process

## INTRODUCTION TO THE RESEARCH PROBLEM

**Source:** Adapted from Reynolds & Holwell (2010)

### 1.10 Conclusion

This chapter presented the research problem, the background to the research, the objectives, and the applicable theories. The current gap in the literature in this field was also indicated. The next chapter provides a review of the current and relevant theoretical literature.

## CHAPTER 2

### THEORETICAL LITERATURE REVIEW

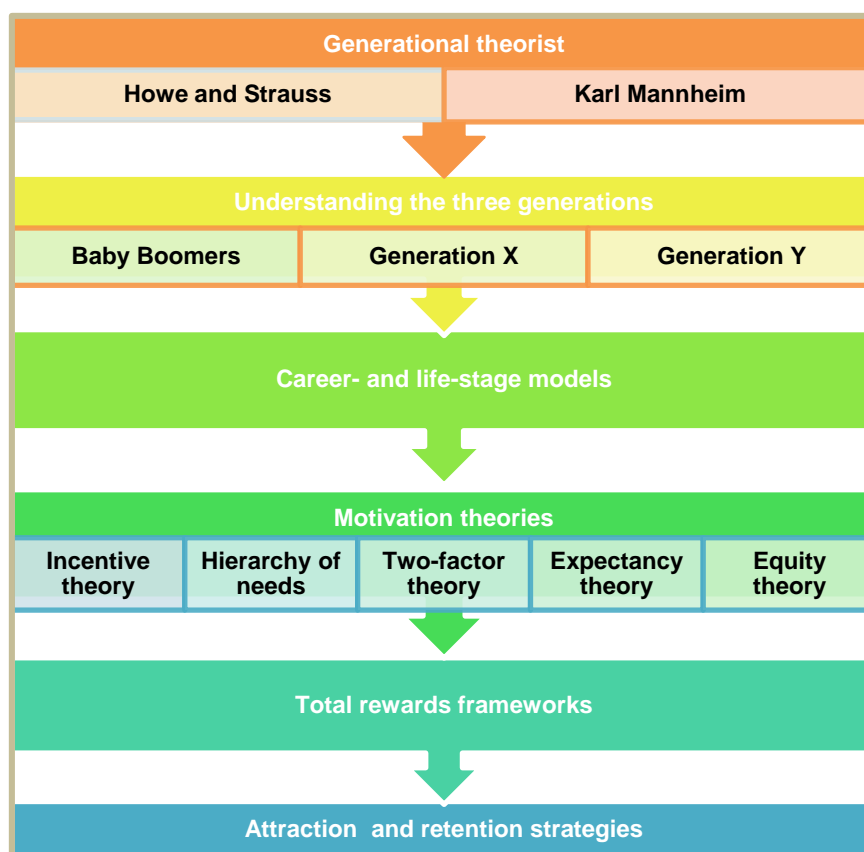
#### 2.1. Introduction

The previous chapter introduced the study and presented the research problem and the objectives of this study. This chapter presents a critical review of current and relevant theoretical literature, highlighting existing theories and conceptual models in the area of employee rewards and recognition. The review helped the researcher to know what has been done on the topic and to conceptualise the study.

The theoretical literature review begins with a definition of the three generations currently in the workforce, together with the theories that underpin this field of research. Some modern-day researchers are concerned whether generational theory is a scientific area and about the relevance of career- and life-stage models. The researcher therefore reviewed generational theories and career- and life-stage models to ensure that all relevant areas of research were considered in the design of the solution according to the findings of the research.

Total rewards encompass the reward framework for an organisation and the strategy to attract and retain talent and total reward frameworks are discussed with an emphasis on the WorldatWork (2015) Total Rewards Model. The researcher then explored the theories of motivation based on their relevance to rewards and concludes with a review of the attraction and retention strategies for the youth.

Figure 2 summarises the approach the researcher followed in reviewing the existing literature.



**Figure 2:** Overview of the literature review

## 2.2. Generational theory

Theory of generations or the sociology of generations was postulated by Karl Mannheim (1936) in his essay *The problem of generations*. This essay has been described as the most systematic and fully developed, and even the seminal theoretical treatment of generations as a sociological phenomenon. According to Mannheim's theory, people are significantly influenced by their socio-historical environment, in particular, notable events that actively involved them and predominated in their youth, forming, on the basis of those experiences, social generations that, in turn, become agents of change and give rise to events that shape future generations (Pilcher, 1994).

This branch of sociology studies the relation between thought and society, and is concerned with the social or existential conditions of knowledge (Roucek & Coser, 1978). Thinking is an activity that must be related to other social activities within a structural frame. To Mannheim (1936), the sociological viewpoint seeks, from the very beginning, to interpret individual activity in all spheres within the context of group



## THEORETICAL LITERATURE REVIEW

experiences (Mannheim, 1936). Thinking is never a privileged activity, free from the effects of group life; therefore, it must be understood and interpreted within its context. No individual, in striving to learn the truth, constructs a worldview out of the data of his or her own experience. Knowledge is, from the very beginning, a co-operative process of group life, in which everyone unfolds his or her knowledge within a framework of a common fate, a common activity, and the overcoming of common difficulties (Mannheim, 1936).

The generational theory developed by Strauss and Howe (1991) describes the history of the United States of America, including that of the 13 colonies and their Anglo antecedents, and this is where the most detailed research has been accomplished. The authors also examined generational trends elsewhere in the world, and identified similar cycles in several developed countries. Neil Howe and William Strauss wrote a number of scholarly and popular books about American history and generations, and a number of books on Generation Y's impact on various sectors.

Generations are among the most powerful forces in history. Tracking their march through time lends order and even a measure of predictability to long-term trends (Howe & Strauss, 2007). As each generation ages into the next phase, that is, from youth to young adulthood to midlife to elderhood, its attitudes and behaviours mature, producing new currents in the public mood. In other words, people do not belong to their age brackets. A woman of 40 today has less in common with 40-year-old women across the ages than with others of her generation; they are united by memories, language, habits, beliefs, and life lessons.

Generations follow observable historical patterns, a phenomenon that offers a very powerful tool for predicting future trends. To anticipate what 40-year-olds will be like 20 years from now, one should not look at today's 40-year-olds, but rather today's 20-year-olds. Howe and Strauss (2007) found that generations shaped by similar early-life experiences often develop similar collective personae and follow similar life trajectories. The patterns are strong enough to support a measure of predictability. Historical precedents make it possible to foresee how the generations alive today will think and act in decades to come (Howe & Strauss, 2007).

## THEORETICAL LITERATURE REVIEW

French lexicographer Emile Littré (1801–1881), a historian of medicine, philosopher, linguist, philologist, and translator, best known for his *Dictionnaire de la langue française* (1863–72, supplement 1877), defined a generation as all men living more or less at the same time (Howe & Strauss, 2007).

Eyerman and Turner (1998) define a generation as a cohort of persons passing through time, who share a common habitus, hexes, and culture, a function of which is to provide them with a collective memory that serves to integrate the cohort over a finite period of time.

Howe and Strauss (2007) argued that the basic length of a generation — about twenty years — is due to longstanding socially and biologically determined phases of life, which is why the length has remained constant over centuries. However, some argue that rapid increases in technology in recent decades are shortening the length of a generation. Howe and Strauss (2007) state that, that is not the case, but admit that the precise boundaries of generations and turnings are erratic. This implies that the interpretation of the data in the present study had to be done with care in applying generation theory to identify the potential components of rewards for the youth.

### **2.3. The multi-generational workforce**

Today, three generations are working side by side, each with distinct differences, who are categorised into three distinct groups (Kane, 2013). The challenge for organisational leaders is to understand the profiles of these employees, in order to know what rewards attract and retain these generations, in particular, the newest generation entering the workforce — Generation Y.

The researcher will provide a brief review of these three generations, to advance a common understanding of the generations and what the existing total reward models have been based on, by providing an overview of the relevant research conducted in this field.

Many researchers and authors disagree on exactly when each generation starts and ends. For the purpose of the present study, the timeframe for each generation was aligned with the generational theory of Strauss and Howe (1991).

## THEORETICAL LITERATURE REVIEW

Generation Y is represented by employees born between 1981 and 2000; there are various names for this generation, that is, Millennials, Echo Boomers, Generation Next, GenY, nGen, or GenMe. Generation X was born between 1965 and 1980, and Baby Boomers were born between 1946 and 1964. The three generations, for the purpose of this research, will be termed *Baby Boomers* (born 1946–1964), *Generation X* (born 1965–1980), and *Generation Y* (born 1981–2000).

### 2.3.1. Baby Boomers

The impending retirement of Baby Boomers has created a crisis in organisations as they strive to recruit and retain the youth, who purportedly hold significantly different values, attitudes, and expectations, compared to the generations of workers who preceded them (Ng, et al., 2010).

Baby Boomers (born between 1946 and 1964) are predominantly in their late 50s and 60s, and are nearing retirement; they will exit the workplace within the next decade. They are well established in their careers, and hold positions of power and authority. This generational segment constitutes the majority of today's leaders, corporate executives, senior professionals, and managers. This unprecedented loss of skilled labour, consisting largely of partners, executives, senior support staff, managers, and other thought leaders, poses a risk for organisations (Kane, 2013).

Baby Boomers are the largest generation in history. They are competitive by nature, and they believe in growth, change, and expansion. They want it all, and work long hours to attain what they want. They show loyalty, and will be ruthless if necessary to obtain success and material possessions. Many do not plan to retire. This generation also redefined family through increased divorce rates. They respect authority, but want to be viewed and treated as equals (Eisner, 2005; Gilbert, 2011).

Baby Boomers tend to seek consensus in the workplace. They dislike laziness and authoritarianism, but tend to micro-manage others. They have paid their dues and proactively climbed the corporate ladder, making new rules along the way (Lowe, Levitt & Wilson, 2008). Described as hardworking, they have a sense of entitlement. They are optimistic, but are cynical towards institutions, and they believe in endless youth (Globoforce, 2013).

### **2.3.2. Generation X**

Born between 1965 and 1980, members of Generation X are mainly in their late 30s and 40s. On the whole, they are more ethnically diverse and better educated than the Baby Boomers. They are unlikely to work for a single company or value long working hours. They value developing skills and keeping up to date, and respond well to a coaching management style that provides prompt feedback and credit for positive results. This generation finds ways to get things done smartly and quickly, and even to bend the rules (Eisner, 2005).

They strive for work–life balance, and they are able to embrace change. What they lack in social skills, they make up for in their technical ability (Lowe, et al., 2008). At work, members of Generation X work hard, prefer hands-off supervision, seek immediate gratification, and want their need for a work–life balance respected (Globoforce, 2013). They lack loyalty to an organisation, and want to possess a variety of skills to make them marketable. They value education, independence, and parenting above work. This attitude is also prevalent in the children of members of Generation X (Crampton & Hodge, 2006).

### **2.3.3. Generation Y**

Members of Generation Y, born between 1981 and 2000, are increasingly joining the workforce, and, unlike Generation X and Baby Boomers, have developed work characteristics and tendencies as a result of doting parents, structured lives, and contact with diverse people (Kane, 2013).

They are well-educated, technologically advanced, very self-confident, able to multi-task, and have abundant energy. They have high expectations of themselves, and prefer to work in teams, rather than as individuals. They seek challenges and opportunities, yet, a work–life balance is of utmost importance to them. They do, however, realise that their need for social interaction, immediate results in their work, and the desire for speedy advancement may be seen as weaknesses by older colleagues (Gilbert, 2011; Macky, Gardner & Forsyth, 2008; Clement, 2008; Globoforce, 2013; Martin & Tulgan, 2006; Crampton & Hodge, 2006). They seek work that is meaningful and fulfilling (Lancaster & Stillman, 2002; Yang & Guy, 2006).

## THEORETICAL LITERATURE REVIEW

Members of this generation are used to working in teams — they actually prefer teamwork — and they value structure, interactivity, and image-rich environments. They want to make friends with people at work, and work well with diverse co-workers (Kane, 2013; Wessels & Steenkamp, 2009). Promotion is very important to members of Generation Y, but they want this with minimal effort, perhaps reflecting a sense of entitlement that is the product of a pampered upbringing (Ng, et al., 2010; CLC, 2005; Nelson & Twenge, 2005).

The members of this rising generation tend to be upbeat, team-oriented, close to their parents, and confident about their future. Unlike Baby Boomers, they do not want to ‘teach the world to sing.’ Furthermore, unlike members of Generation X, they do not act impulsively; they plan ahead (Howe & Strauss, 2007). Members of Generation Y ‘want it all’ and ‘want it now’ in terms of better pay and benefits, rapid advancement, work–life balance, interesting and challenging work, and making a contribution to society (Ng, et al., 2010: 282).

Many have developed a work-to-live rather than live-to-work mind-set that spills over into valuing the quality of the work environment and a work–life balance (Eisner, 2005). They can be fickle and demanding, and have a sense of entitlement. They are technologically sophisticated, and breathe new life into staid companies. They are team players, and thrive in collaborative work environments. They have been praised all their lives, and cannot deal with failure. They expect acknowledgement, even when they do not deserve it. They want to be put on the fast track, whether they deserve it or not, but they dislike working long hours (Macky, Gardner & Forsyth, 2008; Clement, 2008).

PricewaterhouseCoopers (PwC) (2013) conducted a comprehensive two-year global generational study in collaboration with the University of Southern California and the London Business School. This was one of the largest, most comprehensive studies on the attitudes and behaviours of Generation Y employees, and focused on their aspirations, work styles, and values.

A wide range of data was gathered from PwC employees and partners around the globe, involving people from different generations, career stages, and cultural backgrounds. The study, which gathered more than 40 000 responses from

## THEORETICAL LITERATURE REVIEW

Generation Y and non-Generation Y members, captured the various forces influencing the experiences of Generation Y. These include workplace culture, communication, work styles, compensation, career structure, career development and opportunities, and work–life balance. The study revealed that enhancing workplace flexibility and equity between work- and home life are some of the keys to improving job satisfaction among Generation Y (PwC, 2013).

According to a study by Kane (2012) Generation Y grew up with technology, and rely on it to perform their jobs better. Using technology 24 hours per day, seven days a week, they prefer communication through e-mail and text messages, rather than face-to-face contact and traditional lecture-style presentations. The fast track has lost much of its appeal to members of Generation Y, who are willing to trade high pay for fewer billable hours, flexible schedules, and a better work–life balance. While older generations may view this attitude as narcissistic or lacking commitment, discipline, and drive, Generation Y professionals have a different vision of workplace expectations, and they prioritise family over work. They were nurtured and pampered by their parents, who did not want to repeat the parenting mistakes of the previous generation. They are confident, ambitious, and achievement-oriented (Kane, 2013).

Generation Y has a ‘no-person-left-behind’ mind-set. They are loyal and committed, and want to be included and involved. Members of this generation crave attention in the form of feedback and guidance, and appreciate being kept informed. They seek frequent praise and reassurance. Generation Y may benefit greatly from mentors who can help guide and develop their young careers (Kane, 2013).

Lowe et al. (2008) found that members of Generation Y have some values held by Traditionalists, who were born between 1925 and 1945. According to their study, both tend to have a strong sense of morality, are patriotic, are willing to fight for freedom, are sociable, and value their home and family.

Table 3 provides a brief summary of the core values that describe these generations, together with the key world- and South African events that shaped these generations and impacted their outlook on the world.

## THEORETICAL LITERATURE REVIEW

**Table 3:** The multi-generational workforce

ERA	Baby Boomers 1946 – 1964	Generation X 1965 – 1980	Generation Y 1981 – 2000
<b>Key world events</b>	<ul style="list-style-type: none"> <li>• Post-World War II</li> <li>• Prosperity</li> <li>• Television</li> <li>• Civil rights movement</li> <li>• Vietnam War</li> <li>• Women's movement</li> <li>• Assassination of John F. Kennedy</li> </ul>	<ul style="list-style-type: none"> <li>• Globalisation</li> <li>• Downsizing</li> <li>• Technological advances</li> <li>• Western post-World War II baby boom</li> <li>• HIV/AIDS</li> <li>• Energy crisis</li> <li>• Consciousness revolution</li> </ul>	<ul style="list-style-type: none"> <li>• Prosperity</li> <li>• Uncertainty</li> <li>• Terrorism/Violence</li> <li>• Outsourcing</li> <li>• Underemployment</li> <li>• Rapid technological advancement</li> <li>• Increasing demographic diversity</li> </ul>
<b>Values and characteristics</b>	<ul style="list-style-type: none"> <li>• Personal and social expression</li> <li>• Idealism, health, and wellness</li> <li>• Values, individualism, and inner life</li> <li>• Personal gratification, wellness, successful, bossy, stylish, inquisitive, competitive, and talkative</li> <li>• Success and materialism</li> <li>• Free expression</li> <li>• Reform</li> <li>• Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Free agency independence, 'street smarts'</li> <li>• Cynicism</li> <li>• Balance, self-reliance, pragmatism</li> <li>• Individualistic, arrogant, risk-taking</li> <li>• Skill more than title</li> <li>• Work-life</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration</li> <li>• Social activism</li> <li>• Tolerance for diversity</li> <li>• Respect, independence, loyalty</li> <li>• Humorous, tolerant, caring, honest, balanced, optimistic, clean-cut</li> <li>• Heroism, patriotism, virtue, and duty</li> <li>• Elderly family, home, free time</li> <li>• Value service and respect more than money</li> <li>• Work to live</li> <li>• Shared norms</li> <li>• Seeking teamwork, protection against risk</li> <li>• Want solid work-life balance</li> </ul>

## THEORETICAL LITERATURE REVIEW

ERA	Baby Boomers 1946 – 1964	Generation X 1965 – 1980	Generation Y 1981 – 2000
<b>Socialisation</b>	<ul style="list-style-type: none"> <li>• Prosperous/safe</li> <li>• ‘Anything is possible’</li> <li>• Parents are focal point</li> <li>• High divorce rate</li> </ul>	<ul style="list-style-type: none"> <li>• ‘Latchkey kids’</li> <li>• HIV/AIDS</li> <li>• Energy crises</li> <li>• Technology</li> <li>• Single-headed households</li> <li>• Emphasis on family and need for freedom</li> </ul>	<ul style="list-style-type: none"> <li>• Strong social pressure</li> <li>• Structured life/Live at home</li> <li>• Non-traditional families</li> <li>• Active role in family</li> <li>• Non-standard work</li> <li>• Multi-culturalism</li> <li>• Prefer teamwork, structure, interactivity, and image-rich environments</li> </ul>
<b>Imprint made</b>	<ul style="list-style-type: none"> <li>• Known as the ‘free generation’</li> <li>• Redefined norms</li> <li>• Civil rights</li> </ul>	<ul style="list-style-type: none"> <li>• A new generation of teaching</li> <li>• Dot com stars</li> <li>• Free agency</li> </ul>	<ul style="list-style-type: none"> <li>• ‘We’ generation</li> <li>• Wired for success</li> <li>• Switch tasks quickly</li> <li>• Populist</li> <li>• Work at early age</li> <li>• Worldly</li> </ul>
<b>Pattern</b>	<ul style="list-style-type: none"> <li>• Loyal ‘workaholic’</li> <li>• ‘Sink-or-swim’ attitude</li> </ul>	<ul style="list-style-type: none"> <li>• Live on the edge</li> <li>• Embrace change</li> <li>• Dislike long working hours</li> <li>• Job hop</li> <li>• Will find a way</li> </ul>	<ul style="list-style-type: none"> <li>• Expect to make decisions</li> <li>• Need to achieve</li> <li>• Self-reliant</li> <li>• Curious, energetic, and questioning</li> <li>• Distrust job security</li> <li>• Dislike face time and menial jobs</li> </ul>
<b>Qualities</b>	<ul style="list-style-type: none"> <li>• Pro-growth and change</li> <li>• Competitive</li> <li>• Optimistic and confident</li> <li>• Paid dues</li> <li>• Climbed the corporate ladder</li> <li>• Want it all</li> </ul>	<ul style="list-style-type: none"> <li>• Independent</li> <li>• Individualistic</li> <li>• Distrust companies</li> <li>• Lack loyalty</li> <li>• Entrepreneurial</li> </ul>	<ul style="list-style-type: none"> <li>• Large generation</li> <li>• Diverse</li> <li>• Loyal</li> <li>• Skilled</li> <li>• Energetic and positive</li> <li>• Polite</li> <li>• Leave none behind</li> <li>• Socially conscious</li> <li>• Hopeful</li> </ul>



## THEORETICAL LITERATURE REVIEW

ERA	Baby Boomers 1946 – 1964	Generation X 1965 – 1980	Generation Y 1981 – 2000
			<ul style="list-style-type: none"> <li>• Sophisticated</li> <li>• Demanding</li> </ul>
<b>Culture and values</b>	<ul style="list-style-type: none"> <li>• ‘Make love, not war’</li> <li>• Live to work</li> <li>• Personal and social expression</li> <li>• Idealism, health, and wellness</li> <li>• Idealistic revolution</li> <li>• Hardworking</li> <li>• Group focus</li> <li>• Team players; dislike conflict</li> </ul>	<ul style="list-style-type: none"> <li>• Work–life</li> <li>• Computers</li> <li>• Likely to change jobs, loyalty not a big value</li> <li>• Free agency, independence</li> <li>• Street smarts</li> <li>• Cynicism</li> <li>• Growing up in an era of disappointments and broken promises</li> <li>• Independent</li> <li>• ‘Show me’</li> <li>• Adaptable</li> <li>• Cynical</li> </ul>	<ul style="list-style-type: none"> <li>• Work to live</li> <li>• Technology</li> <li>• Teamwork</li> <li>• ‘You can change the world’</li> <li>• Respect is earned</li> <li>• Collaboration</li> <li>• Social activism</li> <li>• Tolerance and diversity</li> <li>• The Internet</li> <li>• Abundance</li> <li>• Diversity</li> <li>• Child-focused</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• High debt and drowning in loans</li> <li>• ‘I shop; therefore, I am’</li> <li>• ‘Buy now, pay later’</li> </ul>	<ul style="list-style-type: none"> <li>• Cautious and conservative</li> <li>• Save</li> </ul>	<ul style="list-style-type: none"> <li>• Instant gratification</li> <li>• Earn to spend</li> </ul>
<b>Civic engagement</b>	<ul style="list-style-type: none"> <li>• Idealism</li> <li>• Image-conscious</li> <li>• Optimism</li> <li>• Team orientation</li> <li>• Personal growth</li> <li>• Personal gratification</li> <li>• Group together by similarity of belief</li> <li>• Self-expressive</li> <li>• Media savvy</li> <li>• Excellence</li> <li>• Big talkers</li> <li>• Work involvement</li> <li>• Health/Wellness</li> </ul>	<ul style="list-style-type: none"> <li>• Change</li> <li>• Choice</li> <li>• Global awareness</li> <li>• Technical literacy</li> <li>• Individualism</li> <li>• Lifelong learning</li> <li>• Diversity</li> <li>• Survivors</li> <li>• Informality</li> <li>• Whiners</li> <li>• Thrill-seekers</li> <li>• Experiencers</li> <li>• Pragmatism</li> <li>• Not afraid of failure</li> </ul>	<ul style="list-style-type: none"> <li>• Optimism</li> <li>• Confidence</li> <li>• High self-esteem</li> <li>• Media- and entertainment overloaded</li> <li>• Diversity</li> <li>• Conservative</li> <li>• Networkers</li> <li>• Civic duty</li> <li>• Ethical consumption</li> <li>• Achievement</li> <li>• Morality</li> <li>• Naiveté</li> </ul>

## THEORETICAL LITERATURE REVIEW

ERA	Baby Boomers 1946 – 1964	Generation X 1965 – 1980	Generation Y 1981 – 2000
	<ul style="list-style-type: none"><li>• Nostalgia</li></ul>	<ul style="list-style-type: none"><li>• Self-reliance</li><li>• Street-smart</li></ul>	<ul style="list-style-type: none"><li>• Change</li><li>• Technical savvy</li><li>• Global citizens with a 'multi-everything' view</li></ul>

**Sources:** Crampton & Hodge (2006), Robbins & Judge (2010), Bussin (2014), Lancaster & Stillman (2002), Howe & Strauss (2007), Globoforce (2013) and Kane (2013)

Strauss and Howe (1991) explain that generations come in cycles. Generations are tied together by history and the experiences they go through together. They form a collective generational state of mind, and react in similar fashions. Just as history produces generations, so too do generations produce history. Howe and Strauss (1997) discovered a pattern in the historical generations they examined, which revolved around generational events, which they call *turnings*. They identified the four-stage cycle of social or mood eras of generations.

The archetypes of each generation not only share a similar age location in history, they also share basic attitudes towards family, risk, culture, values, and civic engagement. In essence, generations shaped by similar early-life experiences develop similar collective personas and follow similar life trajectories (Howe & Strauss, 1997; 2007).

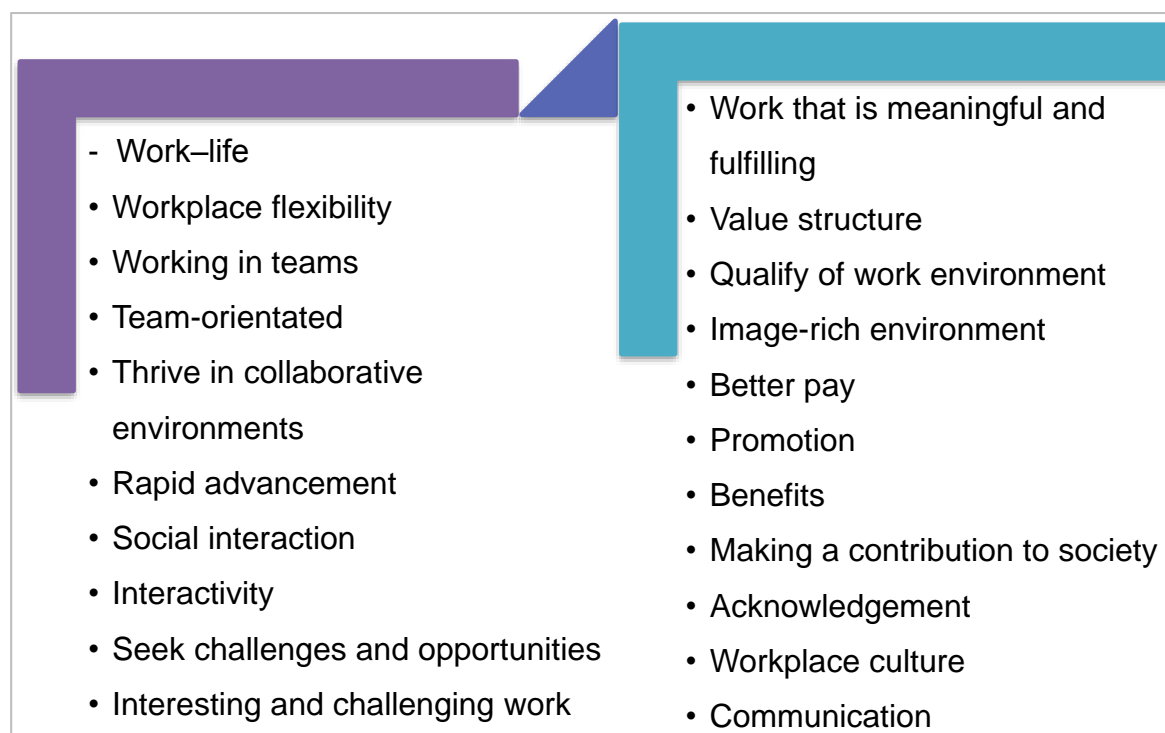
Strauss and Howe (2007) believe that there are four generational cycles that repeat in sequence over time, and because of these cycles, future generational behaviours and traits can be predicted. By developing an understanding of generational theories and cycles, organisations will be able to understand their employees' needs and motivations in terms of the generation within which their workers resort (Engelman, 2009; O'Bannon, 2001; Lancaster & Stillman, 2002).

Research has shown conflicting results when exploring the relationship between generational theory and reward preferences. Research by Bussin (2014) found that there were preferences for certain, and very different, rewards among different generations. However, Giancola (2006) expressed concern that theorists have

## THEORETICAL LITERATURE REVIEW

overstated the generational gap, and that generational theory has major gaps. His research found that, in terms of rewards, Baby Boomers are more interested in retirement planning, and Generation Y prefers career development. He contends that these differences are linked to life stage, rather than to generational preferences (Bussin, 2014), which the researcher will explore in the next section of this chapter.

Following the review of generation theory, above, Figure 3, provides a summary of the outcomes of reward preferences for Generation Y, defined as *the youth*.



**Figure 3:** Reward preferences of Generation Y

**Sources:** Ng, et al. (2010), Macky, Gardner & Forsyth (2008); Clement (2008), Lancaster & Stillman (2002); Yang & Guy (2006); Lowe et al. (2008)

The present study was based on the assumption that generation theory is true, which had many implications for the interpretation of the data. The assumption was that the lengths of the generations and turnings of about 20 years are more or less constant, and that the needs and preferences of the members of generations do not change over time. Therefore, once organisations can put in place total rewards systems that address the needs and preferences of the members of the three generations, they will be able to attract and retain them.

## THEORETICAL LITERATURE REVIEW

However, the researcher had to be cautious in interpreting the data regarding effects like technology, knowledge proliferation, and economic conditions, as these are changing rapidly, through globalisation, which might affect, not only the length of a generation and turnings, but also the changing preferences of the members of a generation.

### **2.4. Total reward systems**

A total rewards system encompasses the reward framework for an organisation and the strategy to attract and retain talent. As the war for talent intensifies and competition between organisations increases, it is vital that companies create a competitive advantage in attracting and retaining talent.

According to Tsede and Kutin (2013), total reward is an integral element of reward management, and is the combination of financial and non-financial rewards given to employees in exchange for their efforts.

Thompson (2002) and Armstrong (2010) define total rewards as typically encompassing, not only traditional, quantifiable elements like pay and benefits, but also intangible elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself, and the quality of the work-life provided by the organisation. This requires consideration of all aspects of the work experience that employees value.

As expressed by Lawler (2003), employees' motivation is greatest when they perform tasks that are both intrinsically and extrinsically rewarding (Tsede & Kutin, 2013). Armstrong (2010) considers reward management as the strategies, policies, and processes required to ensure that the value of people and the contributions they make to achieving organisational, departmental, and team goals are recognised and rewarded. The total rewards approach is a hybrid strategy in rewards management, and seeks to match the needs of the organisation with those of its employees (Murlis & Schubert, 2002).

### **2.4.1 Total reward models**

Over the last decade, as the external environment has become more turbulent, organisations have sought initiatives to ensure the recruitment and retention of a high-quality workforce. Many organisations have attempted to remedy this problem by simply offering increased pay. While this may provide some respite in the form of a short-term solution, this approach may not deliver the best results. Realising the shortcomings of this approach, some organisations have turned to wider reward mechanisms.

Total reward encompasses a whole range of mechanisms that aim to attract, retain, and motivate staff (Silverman & Reily, 2003). The aim of this study was to develop a total rewards framework for the attraction and retention of the youth. In order to develop a more comprehensive and effective framework for the youth, total rewards systems were considered to affect attraction and retention of the youth in organisations. Some of the most popular frameworks are discussed below, namely, the WorldatWork (2015), Hay Group (2008), Zingheim and Schuster (2000), Towers Watson (2012), and Watson Perrin Total Rewards Models (Armstrong, 2010).

Emphasis will be placed on identified reward categories of WorldatWork (2015) Total Rewards Model.

#### **2.4.1.1 WorldatWork total rewards model**

WorldatWork is a non-profit HR association, founded in 1955, for professionals and organisations focused on compensation, benefits, and work-life balance. The association provides certification training to HR and reward specialists. The WorldatWork (2015) Total Rewards Model (Figure 4) provides a framework strategy for organisations for attracting employees, together with key considerations in the quest to retain employees (WorldatWork, 2015). The WorldatWork (2015) Total Rewards Model demonstrates the dynamic relationship between employers and employees. Originally introduced in 2000, it has evolved to depict the strategic elements of the employer-employee exchange as well as to reflect how external influences and an increasingly global business environment affect attraction, motivation, retention and engagement (WorldatWork, 2015).

## THEORETICAL LITERATURE REVIEW



**Figure 4:** WorldatWork Total Rewards Model

**Source:** WorldatWork (2015)

The WorldatWork Total Rewards Model takes into consideration organisational culture, business and HR strategy. In this model, the total rewards strategy is divided into six core reward categories, depicted in the Figure 4, these reward categories are referred to when referring to the WorldatWork (2015) model throughout the study.

Each of the elements of total rewards include programmes, practices, elements, and dimensions that collectively define an organisation's strategy to attract, motivate, and retain employees. These elements represent the tool kit from which an organisation chooses to offer and align a value proposition that results in satisfied, engaged and productive employees who, in turn, create desired business performance and results (WorldatWork, 2015). These include compensation (referred to as remuneration, for the purpose of this research in the South African context), benefits, work-life effectiveness, recognition, performance management and talent development (WorldatWork, 2015).

## THEORETICAL LITERATURE REVIEW

**Remuneration** pay provided by an employer to its employees for services rendered (i.e., time, effort, skill). This includes both fixed and variable pay tied to performance levels (WorldatWork, 2015).

**Benefits** programs an employer uses to supplement the cash compensation employees receive. These health, income protection, savings and retirement programs provide security for employees and their families (WorldatWork, 2015).

**Work-life effectiveness** a specific set of organisational practices, policies and programs, plus a philosophy that actively supports efforts to help employees achieve success at both work and home (WorldatWork, 2015).

**Recognition** either formal or informal programs that acknowledge or give special attention to employee actions, efforts, behaviour or performance and support business strategy by reinforcing behaviours (e.g., extraordinary accomplishments) that contribute to organisational success (WorldatWork, 2015).

**Performance management** the alignment of organisational, team and individual efforts toward the achievement of business goals and organisational success. Performance management includes establishing expectations, skill demonstration, assessment, feedback and continuous improvement (WorldatWork, 2015).

**Talent development** provides the opportunity and tools for employees to advance their skills and competencies in both their short- and long-term careers. (WorldatWork, 2015).

### 2.4.1.2 The Hay Group total rewards model

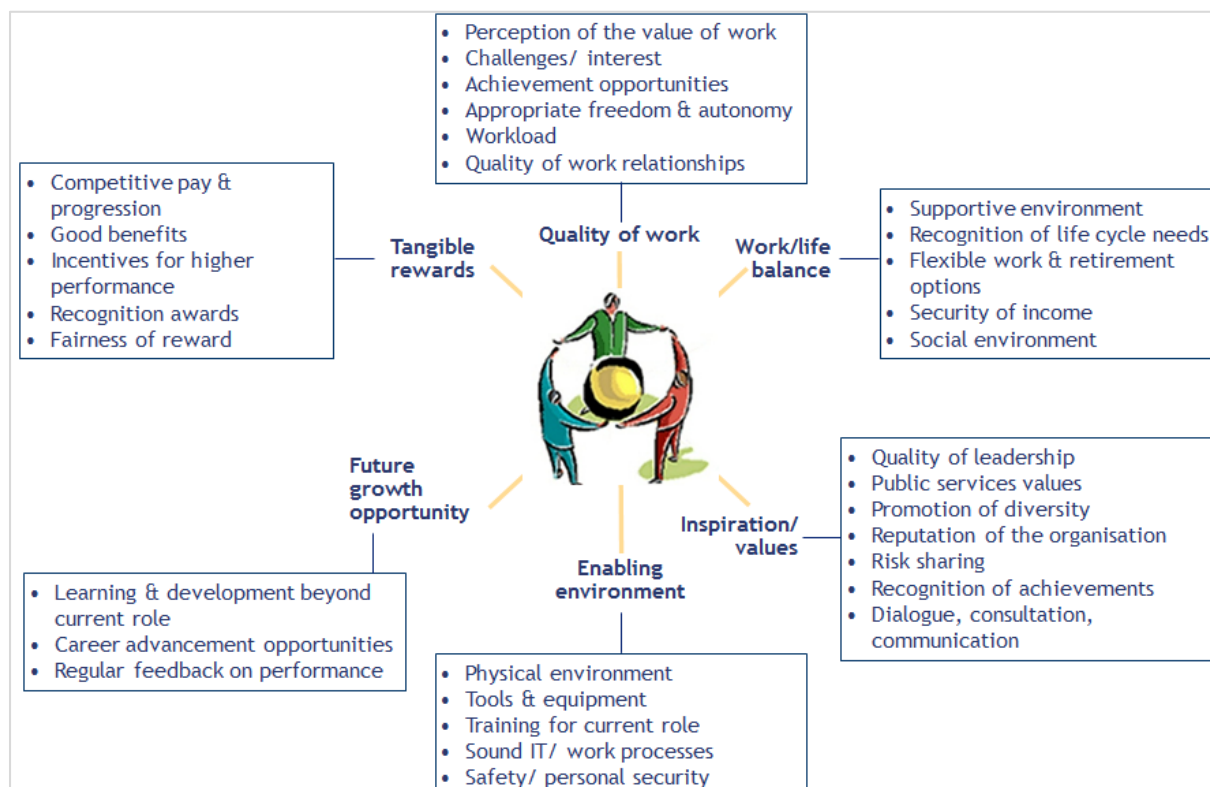
In the late 1990s, the Hay Group developed a model from their employee opinion and reward work, which looked at not only transactional and relational elements of reward but focused on what employees define as a compelling, high-performance workforce (Armstrong, 2010).

The Hay Group (2008) Total Rewards Model, illustrated in Figure 5, is similar to the WorldatWork (2015) Total Rewards Model, taking strategy as a starting point. The model comprises six key categories. It focuses on total reward, comprising financial

## THEORETICAL LITERATURE REVIEW

and non-financial rewards. It also takes into account the needs of both the company and employee, an even and balanced approach, which ensures that the company's interests are catered for, while ensuring that employees are engaged and motivated.

The Hay Group (2008)'s view is that the model (Figure 5), should be treated flexibly, with both the core definitions and process of application tailored to fit the organisation. The model centres on tangible rewards, such as pay and benefits, followed by intangible benefits, such as personal development, career progression, work–life balance, environment, and culture (Armstrong, 2010). The model includes guaranteed cash, annual variable pays, long-term incentives, benefits (statutory and non-statutory), and intangible (non-financial) rewards.



**Figure 5:** The Hay Group Total Rewards Model

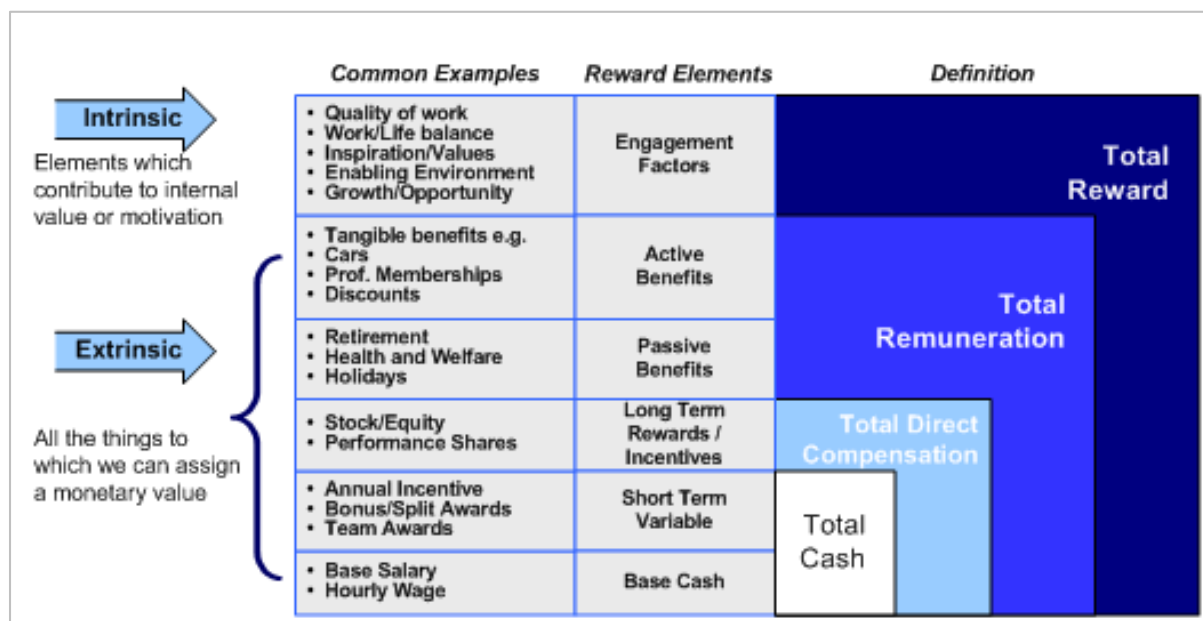
**Source:** Hay Group (2008)

In further describing the Hay Group (2008) Total Rewards Model above, figure 6 describes the intrinsic and extrinsic elements, which make up the key categories of the model. The key elements include all the aspects of total remuneration, but also take into account the intangible benefits offered by an employer; these are the environmental rewards such as work–life balance or training and development



## THEORETICAL LITERATURE REVIEW

opportunities. The model comprises six reward elements: base cash, short-term variable, long term rewards/incentives, passive benefits, active benefits and engagement factors.



**Figure 6:** Hay Group Key Elements of the Total Rewards Model

**Source:** Hay Group (2008)

*Base cash* comprises two key elements, namely, base salary and hourly wage. This is similar to the WorldatWork (2015) model, but it excludes short-term incentives and long-term incentives, which are grouped separately. *Short-term variable* a reward element, includes annual incentive, bonus/split awards, and team awards. *Long-term rewards/incentives*, includes stock/equity and performance shares. *Passive benefits* comprise core benefits retirement, health and welfare, and holidays. *Active benefits* comprise tangible benefits, for example, cars, professional membership, discounts. *Engagement factors* are: quality of work, work–life balance, inspiration/values, enabling environment, and growth/opportunity (Hay Group, 2008).

### 2.4.1.3 Zingheim and Schuster total rewards model

The total rewards model developed by Zingheim and Schuster (2000) expresses total rewards as four interlocked and directly related categories, as illustrated in Table 4. Their view is that people work for more than pay and that companies must provide a better deal to attract and retain top talent. That deal should be based on a win-win relationship that provides something for all stakeholders. People want to work for a company where they have a compelling future (the first category of the model), one

## THEORETICAL LITERATURE REVIEW

that has a vision, growth, and direction, and something they can buy into. They also want a company that focuses on individual growth, development and training, feedback and coaching, and opportunities to grow and learn to add value over time (the second category). They want a positive workplace (the third category) in terms of leaders and colleagues, open communication, trust and commitment, and meaningful work.

The last category, which is total remuneration, includes recognition and celebration. What is important is not so much what tools are used to acknowledge success, but how these are aligned to help and give a clear message about what people can do to make their company a success and, subsequently, share in this success.

Zingheim and Schuster (2000) recognised that this model is not a one-size-fits-all proposition. Some companies may emphasize one category over the others. Companies with high total pay may not have a very positive workplace or a compelling future, and those that invest more in people may not offer high pay. While a company may stress one category over another, the best companies offer some of each category.

Considering the scarcity of talent, companies have to provide what people want, which is what created the momentum for considering total rewards in the present study.

**Table 4:** Zingheim and Schuster (2000) Total Rewards Model

<b>Compelling future</b>	<b>Positive workplace</b>
<ul style="list-style-type: none"><li>• Vision and values</li><li>• Company growth and success</li><li>• Company image and reputation</li><li>• Stakeholder ship</li><li>• Win-win over time</li><li>• Positive brand</li></ul>	<ul style="list-style-type: none"><li>• People-focus</li><li>• Leadership</li><li>• Collegiality</li><li>• Trust and recognition</li><li>• Involvement and openness</li><li>• Work itself</li><li>• Open communication</li></ul>
<b>Individual growth</b>	<b>Total remuneration</b>
<ul style="list-style-type: none"><li>• Investment in people</li><li>• Development/training</li></ul>	<ul style="list-style-type: none"><li>• Base pay</li><li>• Variable pay (cash and shares)</li></ul>

## THEORETICAL LITERATURE REVIEW

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Performance management</li><li>• Career enhancement</li></ul> | <ul style="list-style-type: none"><li>• Benefits and indirect pay</li><li>• Recognition and celebration</li></ul> |
|---|---|

**Source:** Armstrong (2010) and Zingheim & Schuster (2000)

### 2.4.1.4 Towers Watson total rewards

The Towers Watson (2012) Total Rewards illustrates an expansive view of a compelling work experience (Figure 7). It organises rewards into three categories that correspond to distinct aspects of an employee's experience at work. Each category encompasses a set of interrelated programmes specifically designed to meet employees' needs and address what they value in the employment relationship.



**Figure 7:** Towers Watson (2012) Total Rewards

**Source:** Towers Watson (2012)

The *Foundational rewards* category speaks to employees' desire for security, stability, and safety. The category is underpinned by a menu of elements that employers can select from and combine in different ways, whether subsidising these in whole or in part, or merely offering cost-effective access to arrive at the right balance between what the organisation can afford and what is required to attract and retain talent. These include base pay, perquisites, allowances, retirement, healthcare, life and disability, other wellness benefits, wellness initiatives, employee assistance

## THEORETICAL LITERATURE REVIEW

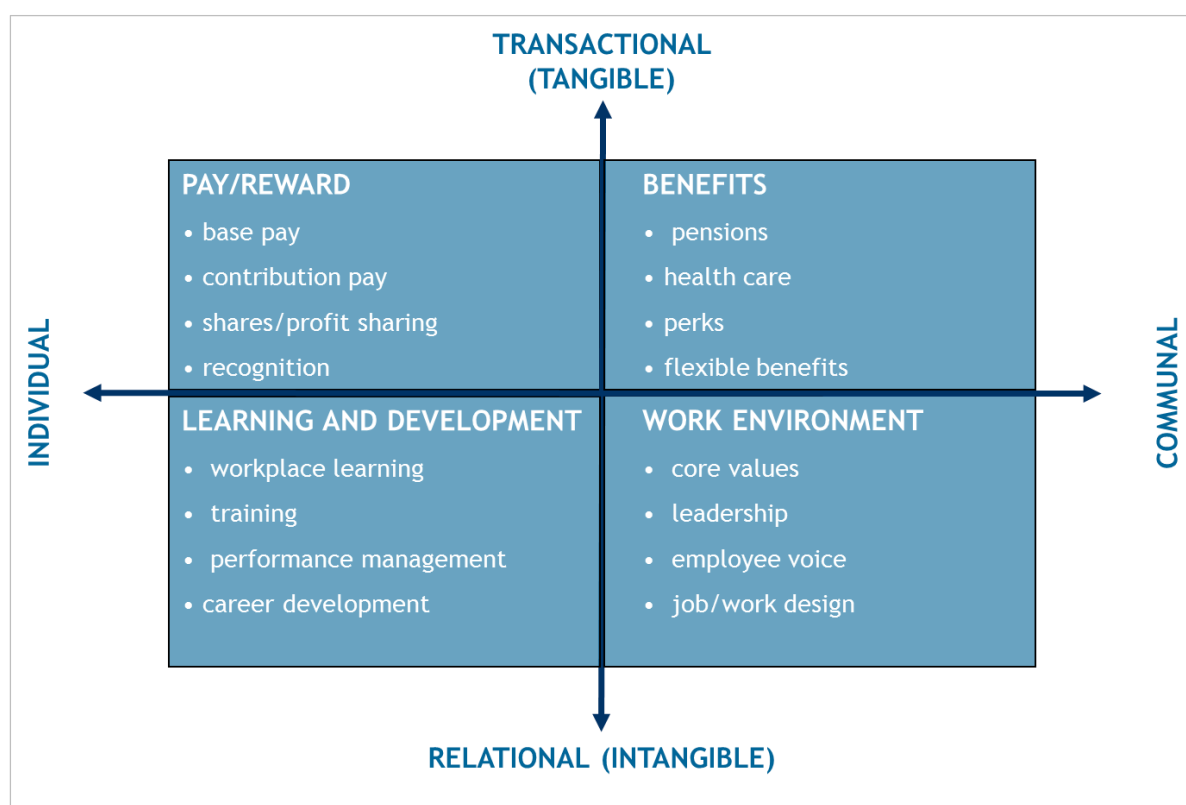
programmes, voluntary benefits, discounts/affinity programmes, and time off (Towers Watson, 2012).

The category *Performance-based rewards* speak to something equally critical in the current environment — fair and meaningful remuneration for measurable results. This has always been a challenge for employers, but never more so than today; retaining high-potential and high-performing workers depends on recognising the differences in contribution through traditional monetary vehicles, special assignments, and/or leadership development programmes. The elements in this category include, base pay increases (merit and promotions), short and long term incentives, recognition and profit sharing plans (Towers Watson, 2012).

The category *Career and environmental rewards* covers a combination of tangible and intangible elements that contribute substantially to the nature of the overall work environment. In many organisations, this falls outside the scope of rewards, yet they have a dramatic impact on how employees feel about the organisation. They have a positive impact when delivered consistently and well, and ignoring them can carry substantial retention risks for employers (Towers Watson, 2012). The elements in this category include training/development, mentor programmes, career management programmes, talent mobility programmes, discretionary technology, flexible work programmes, work/life programmes, corporate social responsibility and well-being programmes (Towers Watson, 2012).

### **2.4.1.5 The Towers Perrin total rewards model**

The Tower Perrin Total Rewards Model (Figure 8) is divided into two upper quadrants (*Pay* and *Benefits*) representing transactional rewards, and two lower quadrants (*Learning and development* and *Work environment*) representing transformational rewards. The upper quadrant is financial in nature, the elements of which are essential for attraction and retention, but it can be easily copied by competitors, which is in contrast to the lower quadrants (Armstrong, 2010).



**Figure 8:** Towers Perrin Total Rewards Model

**Source:** Armstrong (2010)

Several existing rewards models such as the Aon and Sibson models have not been covered by the researcher in this review, however, their contents have been considered by the researcher, and have been found to be similar in content to the models included in the present study. Table 5 provides a summary of the components of the selected models considered in the measuring instruments and study.

**Table 5:** Summary of total rewards models

#	Total rewards model	Tangible (extrinsic)	Intangible (intrinsic)
1	<b>WorldatWork</b>	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Work–life effectiveness</li> <li>• Recognition</li> <li>• Performance management</li> <li>• Talent development</li> </ul>
2	<b>Hay Group</b>	<ul style="list-style-type: none"> <li>• Guaranteed cash</li> <li>• Annual variable pay</li> <li>• Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Work culture and climate</li> <li>• Leadership and direction</li> <li>• Career growth and development</li> </ul>

## THEORETICAL LITERATURE REVIEW

#	Total rewards model	Tangible (extrinsic)	Intangible (intrinsic)
		<ul style="list-style-type: none"> <li>• Long-term incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Work environment</li> <li>• Learning and development</li> </ul>
3	<b>Zingheim and Schuster</b>	Total pay	<ul style="list-style-type: none"> <li>• Compelling future</li> <li>• Individual growth</li> <li>• Positive workplace</li> </ul>
4	<b>Towers Watson</b>	<ul style="list-style-type: none"> <li>• Foundational rewards (base pay, benefits, risk benefits, employee assistance and wellness programmes)</li> <li>• Performance-based rewards (increases, incentives, recognition, profit-sharing)</li> </ul>	<ul style="list-style-type: none"> <li>• Career- and environmental awards (training and development, talent mobility, technology, flexible work programmes, work-life programmes, corporate social responsibility, employee assistance programmes)</li> </ul>
5	<b>Towers Perrin</b>	<ul style="list-style-type: none"> <li>• Pay</li> <li>• Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Learning and development</li> <li>• Work environment</li> </ul>

**Sources:** WorldatWork (2015), Hay Group (2008), Zingheim and Schuster (2000), Towers Watson (2012), and Armstrong (2010)

Organisations depend on employees' skills, knowledge, and abilities for efficient and effective delivery of services, in order to remain abreast with globalisation and to realise the company's mission, vision, and values. Therefore, attracting and retaining talent and the productivity they represent have become critical to organisations' survival (Naris & Ukpere, 2010). In order to successfully attract, motivate, retain, recognise, and reward employees, organisations need to understand the preferences of its employees, and have the ability to respond to them.

## THEORETICAL LITERATURE REVIEW

Literature indicates that customised reward frameworks positively affect engagement levels, leading to greater levels of productivity and improved organisational performance (CLC, 2004). In today's competitive economic environment, the challenge for employers is to design reward practices that support business goals being achieved and to motivate employees to perform at uninterruptedly high levels. The reward needs of employees are an important consideration in designing an operational total rewards strategy, which should positively affect employee behaviours through the incorporation of extrinsic and intrinsic rewards as motivators (CLC, 2004).

Creating a combination of transactional and relational rewards is required to attract, motivate, and retain high-performance employees. Further, while attraction has been related closely to transactional rewards, motivation and retention have been shown to be closely related to relational rewards (Bussin & Toerin, 2015).

For the purposes of the present research, and based on the similarity of the total rewards models discussed above and reasons presented below, the researcher tested the reward categories of the WorldatWork (2015) Total Rewards Model considering the other total rewards models discussed above and summarised in Table 5.

### **2.4.1.6 Why the WorldatWork total rewards model was tested?**

WorldatWork is a non-profit human resources association and compensation authority for professionals and organisations focused on compensation, benefits and total rewards. The organisation empowers professionals by providing thought leadership in total rewards disciplines from the world's most respected experts; ensuring access to timely, relevant content; and fostering an active community of total rewards practitioners and leaders.

WorldatWork and its affiliates provide comprehensive education, certification, research, advocacy and community to members and the total rewards community. WorldatWork has more than 70,000 members and subscribers worldwide; more than 80% of Fortune 500 companies employ a WorldatWork member. Founded in 1955, WorldatWork has offices in Scottsdale, Ariz., and Washington, D.C., and is affiliated with more than 70 human resources associations around the world.

## THEORETICAL LITERATURE REVIEW

WorldatWork Society of Certified Professionals® is the certifying body for eight prestigious designations: the Certified Compensation Professional® (CCP®), Certified Benefits Professional® (CBP®), Global Remuneration Professional (GRP®), Work-Life Certified Professional® (WLCP®), Certified Sales Compensation Professional (CSCP)®, Certified Executive Compensation Professional (CECP)®, Advanced Certified Compensation Professional (ACCP)<sup>™</sup> and Master Certified Compensation Professional (MCCP)<sup>™</sup> (WorldatWork, 2015).

The WorldatWork 2015 model recognises that total rewards operate in the context of overall business strategy, organisational culture, and HR strategy. The model integrates six key categories, which are the same as those in other total reward models; each of which includes programmes and practices that collectively define an organisational strategy to motivate and retain the talent required to achieve business results (Tsede & Kutin, 2013).

The WorldatWork 2015 model provides a comprehensive framework of monetary and non-monetary returns employers provide in exchange for employees' time, talents, effort, and results (WorldatWork, 2015). The model includes all the elements of remuneration, benefits, work-life balance, performance and recognition, and development- and career opportunities (WorldatWork, 2015). All of these were aligned with the aim of the present research — to create an increased understanding of the attraction and retention of youth employees based on their reward preferences.

A company's exceptional culture and external brand value may be considered as critical components of the total employment value proposition (EVP). The backdrop of the WorldatWork model, representing the external influences on a business, such as economic, labour market, cultural norms and regulatory for which there is little or no control must be considered if organisations are to be successful in understanding total rewards (WorldatWork, 2015). An important dimension of the model is the 'exchange relationship' between the employer and employee. Successful companies realise that productive employees create value for their organisations in return for tangible and intangible rewards that enrich their lives (Wang, 2012).



### **2.5. Life- and career-stage Models**

In this section of the theoretical literature review, the researcher evaluates if career- and life-stage models can be applied as predictors of what is important to the youth and will attract and retain them.

Theorists have attempted to conceptualise careers from a developmental point of view. They see the individual's experiences, roles, and relationships in work-related organisations as developing, or having the possibility of developing, along some course (Lawrence, Arthur & Hall, 1995).

Life-cycle and career-stage Models of adult development are underpinned by the theory that, over the human lifespan, an adult pass through a sequence of stages. Each stage is characterised by specific developmental activities, life- and career tasks, and challenges (Hardigree, 2008). This section begins with a review of the Career-stage Model, followed by the Life-stage Model.

#### **2.5.1. Career-stage Model**

Recognising the unique characteristics of professional careers, Dalton, Thompson, and Price (1977) introduced a career-stage Model for professional growth that identifies and describes the distinct stages of professional careers. Associated with each career stage are identifiable characteristics and needs that guide thought, behaviours, and actions in that particular stage, describing four distinct stages of professional careers. These ultimately have an effect on the nature of developmental opportunities appropriate at a particular stage (Rennekamp & Nall, 1993).

Building upon the work of Dalton, Thompson, and Price (1977), Rennekamp and Nall (1993) modified and adapted the original model for use in the Cooperative State Research, Education, and Extension Service. The model holds that there are four distinct stages in a career: entry, colleague, counsellor, and advisor. Each stage includes a distinct set of motivators that drive professional development at that point. These motivators provide both the impetus for participating in and the criteria for selecting from among various professional development opportunities (Rennekamp & Nall, 1993).

## THEORETICAL LITERATURE REVIEW

The Career-stage Model demonstrates the career stages that individuals move through in their careers, typically: establishment, advancement, maintenance, and retirement. The approximate age of the individual in this stage varies from 21 to 26 years. During this stage, persons learn the basic elements of the job and where they fit within an organisation. Individuals who change the career later in life would go through this stage at a more advanced age (Rennekamp & Nall, 1993).

### **2.5.1.1. The Entry stage**

The entry stage is when the individual first enters a profession or a new job within a profession. It is essential that all professionals move out of this stage to attain career satisfaction. The entry stage is characterised by psychological dependency. Central motivators for professional development include attaining the foundational skills required to do the job and understanding the organisation's structure, function, and culture at that point in the organisation's history (Rennekamp & Nall, 1993).

Motivators for professional development at the entry stage, as described by Rennekamp and Nall (1993), include understanding the organisation's structure, function, and culture, attaining base-level technical skills, and giving relevance to previous training. These individuals exercise directed creativity and initiative, and move from dependency to independence. With this comes the opportunity to have a mentor relationship with a senior professional, exploring personal and professional dynamics, and building relationships with professional peers.

### **2.5.1.2. The Colleague stage**

Many individuals look forward to having their own projects or areas of responsibility. This marks the colleague stage. The colleague stage can be a satisfactory level for many professionals for a number of years, as long as growth in expertise or responsibility continues. Some people never need to move beyond this level, thriving on independent work (Simonsen, 1986). Individuals in the colleague stage have been accepted as members of the professional community, and independently, they contribute their expertise to solving problems and carrying out programmes. The colleague seeks to build at least one area of expertise for which he or she is noted, and often shares that expertise on developmental committees and through special assignments.

## THEORETICAL LITERATURE REVIEW

Motivators for professional development at the colleague stage have been described as the individual developing an area of expertise and becoming an independent contributor in problem solving, developing a professional identity, and gaining membership of the professional community. Individuals in this stage are also motivated by expanding creativity and innovation, moving from independence to interdependence, and expanding their knowledge on relevant issues (Rennekamp & Nall, 1993).

### **2.5.1.3. The Counsellor stage**

The counsellor stage is marked by an individual's decision and ability to contribute to the development of professionals who have reached the counsellor stage and are ready to take on responsibility, either formal or informal, for developing others in the organisation as a coach, mentor, or team- or project leader, while not neglecting their own personal growth and development. They often seek to develop additional areas of expertise beyond those they currently possess. Such efforts result in a broad-based expertise that can be utilised in organisational problem-solving (Rennekamp & Nall, 1993).

Counsellors often chair committees or take on leadership roles in professional associations. Rather than being independent contributors, they understand the need for an interdependent role, and accomplish much of their work through others. They are extensive boundary-spanners, and often have extensive networks, both within and outside of the organisation. A move to the counsellor stage does not necessarily imply a change of job to a supervisory or managerial position, but those in the counsellor stage must, at some point, be able to contribute to the growth of others in the system (Rennekamp & Nall, 1993).

### **2.5.1.4. The Advisor stage**

Individuals in the advisor stage play a key role in shaping the future of the organisation by sponsoring promising people, programmes, and ideas. Often, the advisor has developed distinct competencies in several areas of expertise, and has a regional or national reputation. Advisors have a thorough understanding of the organisation, and can be a catalyst for positive change. They are capable of exercising formal and informal influence in the decision-making process (Rennekamp & Nall, 1993). Table 6 provides a summary of the Career-stage Model of Super (1957).

**Table 6:** Career stage and key development tasks

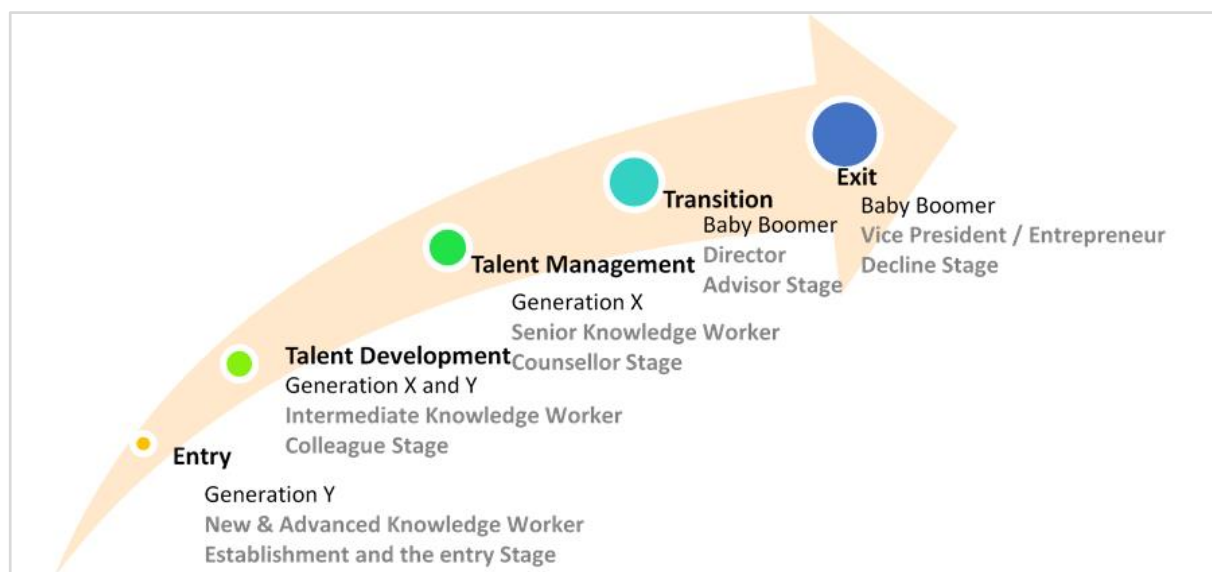
Stage	Age	Description
<b>Entry</b>	21–26 years	Discovering interests and capabilities, and creating a self-concept that fits with work
<b>Colleague</b>	26–40 years	Developing competence, achieving promotions, and advancing in an organisation
<b>Counsellor</b>	40–60 years	Maintaining previous accomplishments, becoming less competitive, and improving an organisation
<b>Advisor</b>	60+ years	Creating a self-concept separate from work, while departing from a career

**Source:** Super (1957)

The Career-stage Model is a useful tool for planning professional growth and career development. Employees can also revert to a previous stage, based on career choices, or choose to remain in a stage (Super, 1957). Not everyone desires to move to the next career stage.

Not everyone transitions through these life- and career stages at fixed ages or in the same manner. However, it is the researcher's view that the Career-stage Model could be a good predictor of the rewards that are valued in each stage. This presents an opportunity for future research.

Figure 9 depicts the similarities by age and development stages, aligned with the generational theory. This research did not investigate this as part of the present study, and this presents an opportunity for future research.



**Figure 9:** Career-stage Model mapped by generation

### 2.5.2. Life-stage Model

The Life-stage Model (Levinson, 1986) is similar to the Career-stage Model (Super, 1957) and was based on in-depth interviews with 40 men, conducted over a two-year period. The findings of that study are presented in Table 7.

**Table 7:** Life-stage model

Life stage	Age	Tasks to be accomplished
<b>Early adulthood: 20–40 years</b>		
<b>Early adulthood transition</b>	17–22	<ul style="list-style-type: none"> <li>• Begin thinking about one's place in the world, separated from one's parents and school</li> <li>• Test one's initial choices about preferences for adulthood</li> <li>• Determine where one fits into the world</li> </ul>
<b>Entering the adult world</b>	23–28	<ul style="list-style-type: none"> <li>• Develop a sense of personal identity in the world of work and non-work</li> <li>• Find work consistent with self-concept</li> </ul>
<b>Thirties transition</b>	29–33	<ul style="list-style-type: none"> <li>• Evaluate one's 20s and make adjustments to the life structure adopted</li> <li>• Assess professional accomplishments and make desired changes</li> </ul>

## THEORETICAL LITERATURE REVIEW

Life stage	Age	Tasks to be accomplished
<b>Settling down</b>	34–39	<ul style="list-style-type: none"> <li>• Strive towards achievement of personal and professional goals</li> <li>• Make strong commitment to family, work, and the community</li> <li>• Strengthen work commitment, establish security and stability, gain advancement, and attain professional goals</li> </ul>
<b>Middle adulthood: 40–60 years</b>		
<b>Mid-life transition</b>	40–45	<ul style="list-style-type: none"> <li>• Review life structure adopted in one's 30s</li> <li>• Recognise mortality and limits on achievements, and answer the questions raised by these issues</li> <li>• Question importance of work, realise limitations, and gain a sense of responsibility for developing the next generation</li> </ul>
<b>Entering middle adulthood</b>	46–50	<ul style="list-style-type: none"> <li>• Develop greater stability as answers to the questions posed in earlier stages are incorporated into mind-set</li> <li>• Come to terms with questions and realisations raised in previous stage and make desired changes</li> </ul>
<b>Fifties transition</b>	51–55	<ul style="list-style-type: none"> <li>• Raise questions about life's structures previously adopted</li> <li>• Question decisions and actions of previous stage</li> </ul>
<b>Culmination of middle adulthood</b>	56–60	<ul style="list-style-type: none"> <li>• Answer questions previously raised about adjusted life choices</li> <li>• Accept prior work choices and situation</li> </ul>
<b>Late adult transition</b>	61–65	<ul style="list-style-type: none"> <li>• Come to terms with impending retirement</li> </ul>

**Source:** Levinson (1986)

The question of whether workers progress through life- and career stages concurrently is important to consider when conducting adult development research, because age and career stages may not necessarily correspond. Career stages may not follow the same sequential pattern as life stages, because workers may begin their careers at

## THEORETICAL LITERATURE REVIEW

different ages, or may experience interruptions along the way (Sullivan, 1999). Researchers have noted that future research needs to “operationalise career stage and disentangle possible effects of chronological age and career stage” (Hardigree, 2008: 2).

Career- and life-stage models do not consider what tangible and intangible rewards employees are seeking when joining organisations, or what causes them to leave an employer, which presents an opportunity for future research. These models do not take into consideration external experiences, and the stages are categorised and defined in the same manner — based on age.

### **2.6. Theories of motivation**

Motivation is defined as an internally generated drive to achieve a goal or follow a particular course of action. Highly motivated employees focus their efforts on achieving specific goals; those who are unmotivated do not. Paying employees well helps, but there are many other factors that influence a person’s desire, or lack thereof, to excel in the workplace (Collins, 2009).

In this section, the researcher explores the theories of motivation, defining motivation in terms of the impact it has on decision-making of employees in the work environment. It is important to understand the intrinsic and extrinsic motivators that drive employees’ behaviour in order to achieve their goals. This will create a deeper appreciation of the driving forces behind the attraction and retention of employees.

Based on the works of Armstrong (2010) and Wiley (1997), the researcher examined five selected theories of motivation. The factors affecting human behaviour, motivation and reward management strategy and systems, the following theories of motivation were selected: the incentive theory of motivation, the hierarchy of needs, two-factor theory, expectancy theory, and equity theory.

The researcher explores the selected theories of motivation not only to endeavour to explain what motivates employees, but also to assist in designing the final Total Reward Framework for the Youth.

### **2.6.1. Incentive theory of motivation**

Incentive theory holds that people are motivated to do things to attain external rewards. For example, you might be motivated to go to work each day for the monetary reward. Behavioural learning concepts such as association and reinforcement play an important role in this theory of motivation (Cherry, 2013).

Incentive theory suggests that external rewards are an important consideration for employers, as they are seen as the stimuli that attract employees. Monetary and non-monetary incentives should be provided to employees, to motivate them in their work and aid the attraction and retention of employees. Understanding the external rewards that incentivise qualified youths was a matter that the researcher focused on in this research, together with the degree of the importance of each of these to the youth.

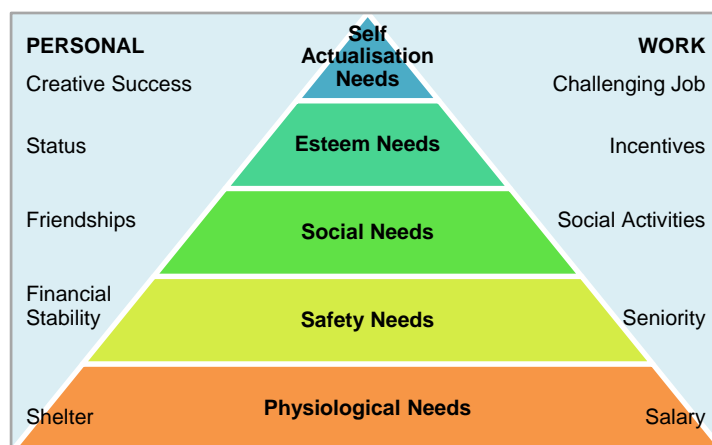
### **2.6.2. Maslow's hierarchy of needs**

In the 1950s, psychologist Abraham Maslow first published *Motivation and Personality*, which introduced his theory about how people satisfy various personal needs in the context of their work. He postulated that there is a pattern of needs recognition and satisfaction people follow, generally in the same sequence. He also theorised that a person could not recognise or pursue the next higher need in the hierarchy until her or his currently recognised need has been substantially satisfied (Aon, 2012).

The psychology of Abraham Maslow's (1943) hierarchy of needs holds that people are motivated by a hierarchical series of unmet needs, arranged in the order illustrated in Figure 10. At the bottom are physiological needs, which are life-sustaining needs such as food and shelter. Working up the hierarchy, people have needs regarding safety, financial stability, freedom from physical harm, social needs, the need to belong and have friends, esteem needs, the need for self-respect and status, and a need for self-actualisation, and the need to reach one's full potential and achieve creative success (Collins, 2009).



## THEORETICAL LITERATURE REVIEW

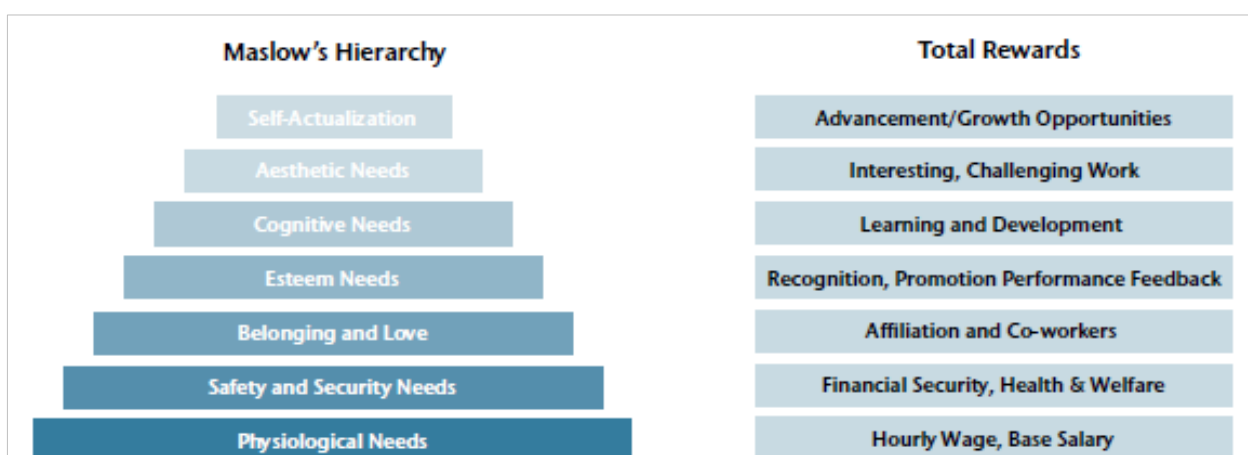


**Figure 10:** Maslow's hierarchy of needs

**Source:** Collins (2009)

Maslow's hierarchy of needs is often illustrated as a pyramid, with the survival need at the broad-based bottom and the self-actualisation need at the narrow top. This hierarchy is depicted in Figure 11, alongside the main components of total rewards, listed in a parallel structure to illustrate the connection (Aon, 2012).

At the bottom of the total rewards hierarchy of needs, illustrated in Figure 11, are the need to earn a basic salary, which provides for life-sustaining needs such as food and shelter. Working up the hierarchy, people have needs regarding financial security, health and welfare, social needs, developing associations at work and working with co-workers, esteem needs, the need for recognition, performance feedback and promotion, and a need for learning and development, interesting and challenging work, self-actualisation, and the need to reach one's full potential, and achieve advancement and growth opportunities (Aon, 2012).



**Figure 11:** Maslow's hierarchy of needs and total rewards

## THEORETICAL LITERATURE REVIEW

**Source:** Collins (2009) and Aon (2012)

Employees are motivated by different factors, and the needs that motivate individuals can change over time. It is therefore important that organisations consider which needs different employees are trying to satisfy, and to structure rewards and other forms of recognition accordingly (Collins, 2009). Alderfer's (1969) theory of existence, relatedness and growth (ERG) is partly based on Maslow's hierarchy. This theory, unlike Maslow's theory, argues that a higher-level need can be a motivator, even if a lower-level need is not fully satisfied, and that, needs at more than one level can be motivators at any time (George, Jones & Sharbrough, 1996).

### **2.6.3. Herzberg's two-factor theory**

In the 1960s, sociologist Frederick Herzberg constructed a two-dimensional paradigm of factors affecting people's attitudes towards work. Herzberg set out to determine which external work factors, such as remuneration, job security, or advancement, made people feel positive about their jobs, and which factors made them feel negative. He surveyed workers, and concluded that, to understand employee satisfaction or dissatisfaction, he had to divide work factors into two categories, namely motivation and hygiene (Herzberg, 2005).

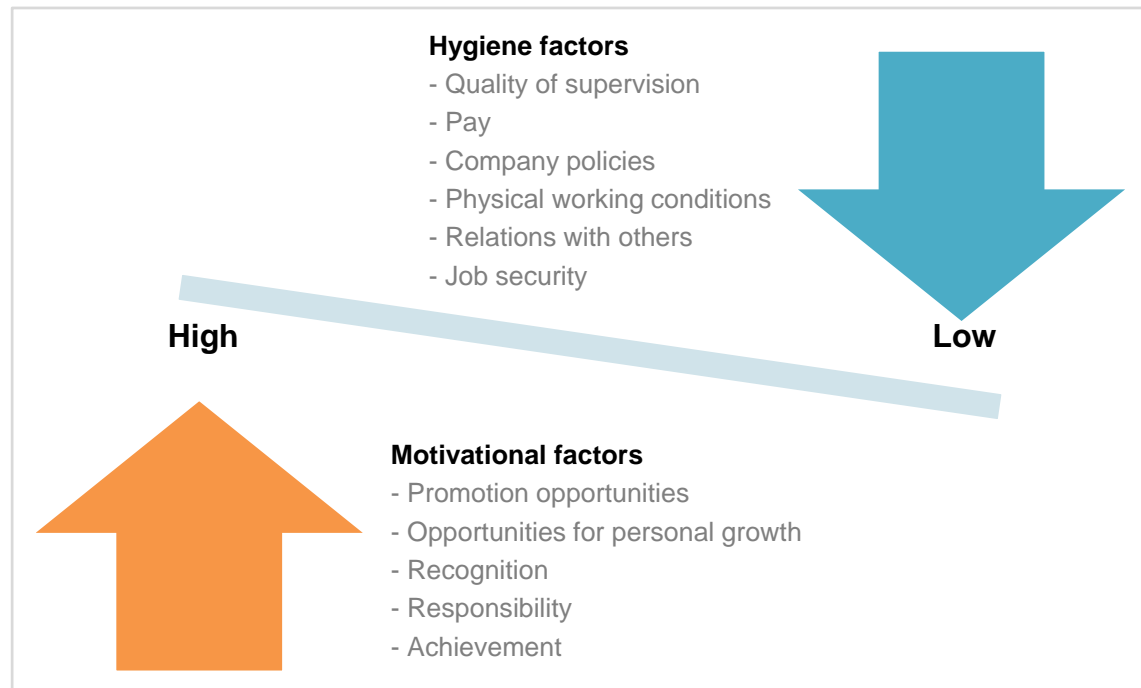
Motivation factors are those factors that are strong contributors to job satisfaction, and hygiene factors are those that are not strong contributors to satisfaction, but must be present to meet a worker's expectations and prevent job dissatisfaction (Herzberg, 2005).

He concluded that factors such as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors, rather than motivators. According to his theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. In contrast, he determined from the data that motivators are the elements that enrich a person's job; he found five factors in particular that were strong determinants of job satisfaction: achievement, recognition, the work itself, responsibility, and advancement. These motivators (satisfiers) are associated with long-term positive effects in job performance, while the hygiene factors (dissatisfiers) consistently produced only short-term changes in job

## THEORETICAL LITERATURE REVIEW

attitudes and performance, which quickly returned to their previous levels. Thus, Herzberg's paradigm was essentially an early framework for total rewards (Aon, 2012).

Figure 12 is a representation of this two-factor theory; both hygiene- and motivational factors need to be present in order to meet employees' extrinsic and intrinsic needs.



**Figure 12:** Two-factor theory

**Source:** Herzberg (2005)

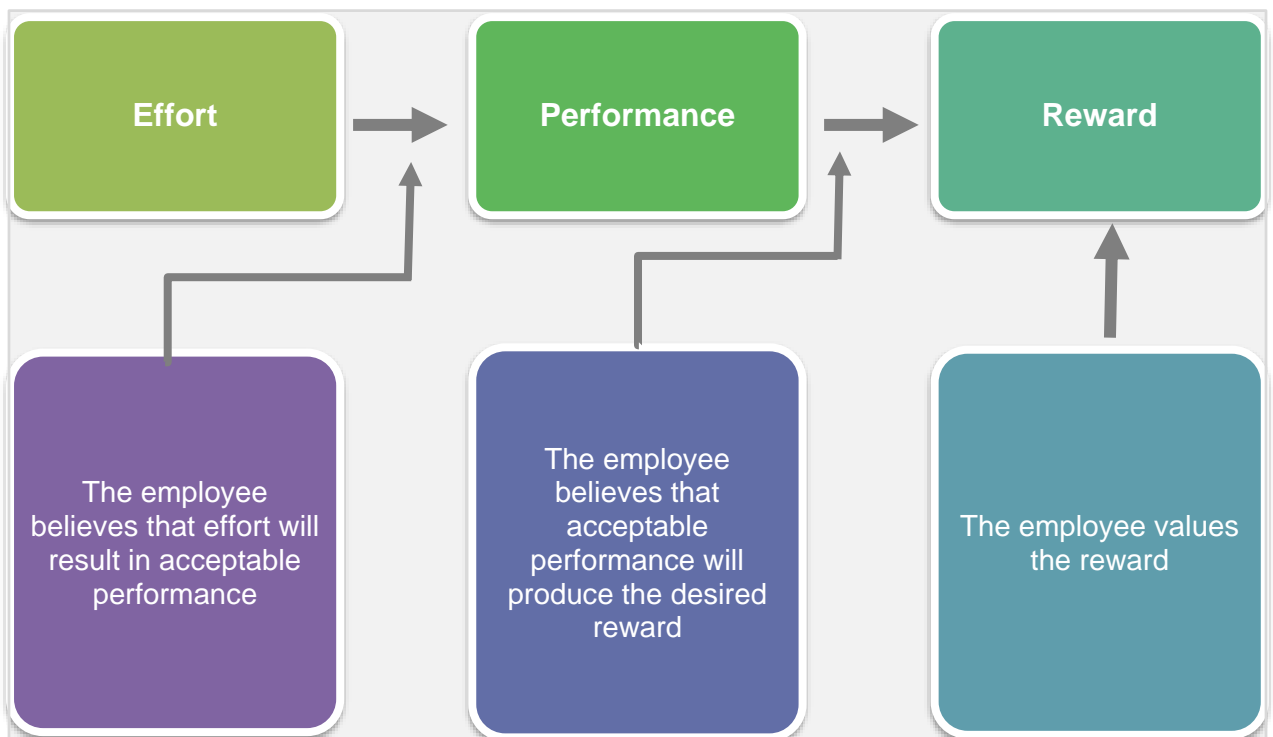
Ensuring that hygiene factors (quality of supervision, pay, company policies, physical work conditions, relations with others, and job security) are in place may alleviate job dissatisfaction, but will not necessarily improve job satisfaction. To increase satisfaction and motivate employees to perform better, organisations must address motivation factors. These include sense of achievement, recognition, responsibility, opportunity for personal growth, and opportunities for promotion as shown in Figure 12.

According to Herzberg (1987), motivation requires a twofold approach: eliminating dissatisfiers and enhancing satisfiers. Organisations need to understand the importance of aligning an employee's attitude and workplace motivation (Herzberg, 1987).

### 2.6.4. Expectancy theory

Victor Vroom (1964), in his expectancy theory Vroom (1964) argued that an employee would be motivated to exert a high level of effort to obtain a reward in the presence of three conditions:

1. The employee believes that his or her efforts will result in acceptable performance.
2. The employee believes that acceptable performance will lead to the desired outcome or reward.
3. The employee values the reward.



**Figure 13: Vroom's expectancy theory**

**Source:** Vroom (1964)

### 2.6.5. Equity theory

The final theory considered in this section is equity theory. Equity theory focuses on our perceptions of how fairly we are treated relative to others. This theory proposes that employees create contribution-and-reward ratios that they compare to those of others. If they feel their ratios are comparable to those of others, they will perceive that they are being treated equitably (Collins, 2009). As part of the present study, the researcher sought to understand how important this is to the youth.

The theories of motivation discussed above were selected by the researcher based

## THEORETICAL LITERATURE REVIEW

on the review of the generation theory presented in this study to provide an overview of what motivators influence and drive the youth's decision-making.

### **2.7. Attraction and retention strategies**

Each generation's priorities vary, as well as their views regarding work. It would seem that the more recent generations want to see what an organisation can do for them. It is becoming increasingly important that organisations offer more of what future generations of employees want (Crampton & Hodge, 2006), rather than what organisations perceive they need.

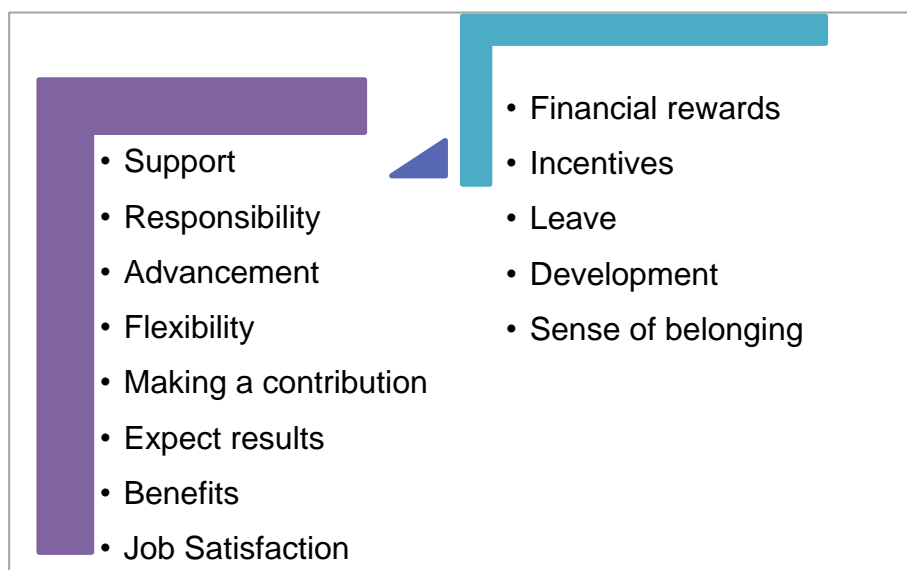
Myers and Dreachslin (2007) suggests that the secret to successfully managing Generation Y may lie in using the same strategies their parents used to raise them. This may mean providing them with a lot of support and coddling, and giving them a sense of belonging, but without turning the workplace into a day-care centre. Another suggestion is to give Generation Y responsibilities fairly quickly, and allowing them the flexibility to do the job their way, but to expect results and show them how their contributions fit into the organisation's goals and objectives (Myers & Dreachslin, 2007).

The tenth anniversary edition of MetLife's (2013) *Annual Study of Employee Benefits Trends* confirmed that, despite uncertain and shifting tides, the potential of benefits to attract and retain key talent and improve employee productivity is stronger than ever. One of the study's most significant findings is the strong relationship between satisfaction with benefits and job satisfaction. The power of benefits drives a universal set of business objectives — employee attraction, retention, and productivity. This is a central tenet for benefits professionals, and justifies to senior management the investment in benefits (MetLife, 2013).

The way organisations attract, develop, and retain human resources will have to change. Research indicates that organisations that are prepared to focus on developing talent will be in a stronger position to retain key employees as the war for talent intensifies (Boxall & Purcell, 2011).

## THEORETICAL LITERATURE REVIEW

Salary and other monetary benefits are a significant factor for Generation Y, as it is and was for previous generations (Martin & Tulgan, 2006; Rollsjö, 2009). Generation Y grew up getting rewards for good behaviour, and are expecting the same in their work-life. While their childhood rewards might have been a big smile or encouraging words, they are expecting mainly financial rewards in the workplace. Although salary is important, they also view other benefits as important incentives, for example, health and dental care, and paid vacations when looking for and staying in a job (Rollsjö, 2009). Figure 14 shows the elements of the attraction and retention strategies summarised from the above description for the youth.



**Figure 14:** Attraction and retention strategies for the youth

**Source:** Rollsjö (2009), Martin & Tulgan (2006), Crampton & Hodge (2006) and Meyers (2007)

### 2.8. Categories and elements of rewards

The potential reward categories and elements that were investigated in this study are described in this section. These were identified from generation theory, life- and career-stage models, total rewards models (including the WorldatWork Total Rewards Model (2015), relevant motivation theories, and attraction- and retention strategies.

#### 2.8.1. Categories and elements derived from generation theory

To reiterate, three generations can be identified in the literature, and each has distinct differences in terms of needs and preferences. These are: Baby Boomers (1946–

## THEORETICAL LITERATURE REVIEW

1964), Generation X (1965–1980), and Generation Y (1981–2000). Leaders of organisations must therefore understand the profiles of the members of these generations, and what their needs and preferences are, in order to put the necessary rewards in place to attract and retain them. Figure 3 and Table 3, showed the reward preferences of Generation Y, including work–life, workplace flexibility, working in teams, team orientation, collaborative environments, rapid advancement, social interaction, interactivity, etc.

### **2.8.2. Categories and elements derived from life and career stage models**

According to the career-stage model, individual's experiences, roles, and relationships in work-related organisations develop along some course (Lawrence, Arthur & Hall, 1995). The theory behind life-cycle and career-stage models of adult development states that, over the human lifespan, an adult pass through a sequence of stages, and each stage is characterised by specific developmental activities, life- and career tasks, and challenges (Hardigree, 2008). Associated with each career stage are identifiable characteristics and needs that guide thought, behaviours, and actions at that particular stage, describing four distinct stages of professional careers (i.e. entry, colleague, counsellor, and advisor) (Rennekamp & Nall, 1993). These ultimately have an effect on the nature of developmental opportunities appropriate at a particular stage. Hence, each stage includes a distinct set of motivators that drive professional development at that point.

### **2.8.3. Categories and elements derived from total rewards systems**

Every total rewards system identifies integral elements of a reward system. The **categories and elements** derived from the total reward systems are a combination of financial and non-financial (tangible or intangible) rewards, and are discussed below.

Different total rewards systems identify potential factors of rewards as an integral element of reward management. The systems combine financial (such as pay and benefits) and non-financial rewards (tangible or intangible) elements which include scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself, and quality of the work-life.

### **2.8.3.1. WorldatWork total rewards model**

This model takes into consideration organisational culture and business- and HR strategy. The total rewards strategy is divided into the six core reward categories. Each of the six categories of total rewards include elements that collectively define an organisation's strategy to attract, motivate, and retain employees (WorldatWork, 2015). This approach meets an intrinsic psychological need for appreciation, and can support a business strategy by reinforcing certain behaviours that contribute to organisational success.

In conclusion, this total rewards model suggests tangible rewards as compensation and benefits, as well as intangible rewards: work–life effectiveness, recognition, performance management and talent development.

### **2.8.3.2. Hay Group Total rewards model**

This model focuses on total reward and comprises both financial and non-financial rewards, centred on pay and benefits, followed by intangible benefits such as personal development, career progression, work–life balance, environment, and culture (Armstrong, 2010). It also includes guaranteed cash, annual variable pays, long-term incentives, and benefits (statutory and non-statutory).

In conclusion, this model suggests tangible rewards including guaranteed cash, annual variable pay, benefits and long-term incentives, and intangible rewards, which include work culture and climate, leadership and direction, career growth and development, work environment, and learning and development.

### **2.8.3.3. Zingheim and Schuster total rewards model**

This model expresses total rewards as four interlocked but directly related categories. It argues that people want to work for a company that has a vision, growth, and direction, and something they can buy into (i.e. first category). They also want a company that focuses on individual growth, development and training, feedback and coaching, and opportunities to grow and learn to add value over time (i.e. second category), and a positive workplace (i.e. third category) in terms of leaders and colleagues, open communication, trust and commitment, and meaningful work. The fourth category involves total remuneration, which includes recognition and celebration (Armstrong, 2010; Zingheim and Schuster, 2000).



In conclusion, the model suggests tangible rewards, i.e. total pay, and intangible rewards, including a compelling future, individual growth, and a positive workplace.

### **2.8.3.4. Towers Watson total rewards model**

This model organises rewards into three categories that correspond to distinct aspects of an employee's experience at work, namely, (1) the foundational rewards category for employees' desire for security, stability, and safety, (2) the performance-based rewards category, which recommends fair and meaningful remuneration for measurable results, in order to retain high-potential and high-performing workers by recognising the differences in contribution through traditional monetary vehicles and promotions, special assignments, and/or leadership development programmes and (3) the category of career and environmental rewards, which covers a combination of tangible and intangible elements that contribute substantially to the nature of the overall work environment (Towers Watson, 2012).

In conclusion, this model suggests tangible rewards — foundational rewards (base pay, benefits, risk benefits, employee assistance, and wellness programmes) and performance-based rewards (increases, incentives, recognition, profit-sharing), and intangible rewards — career- and environmental rewards (training and development, talent mobility, technology, flexible work programmes, work–life programmes, corporate social responsibility, and employee assistance programmes).

### **2.8.3.5. The Towers Perrin total rewards model**

This model has four categories: (1) pay — base pay, contribution pay, shares/profit sharing, and recognition; (2) benefits — pension, health care, perks, employee discounts and flexible benefits; (3) learning and development — workplace learning, training, performance management, career development; and (4) work environment — core values, leadership, employee voice, and job/work design (Armstrong, 2010).

In conclusion, the model suggests tangible rewards (pay, contribution pay and shares/profit sharing) and intangible rewards (recognition, benefits, pension, health care, training and development, performance management, career development and, in the work environment, core values, leadership, employee voice, and job/work design).

## THEORETICAL LITERATURE REVIEW

Salary and other monetary benefits are a significant factor for generation Y but other benefits such health- and dental care and paid vacations, etc. are also important when looking for, and staying in a job (Rollsjö, 2009).

In addition to the reward categories from the WorldatWork (2015) total rewards model, other reward categories and elements were identified from the other reward models discussed in this chapter above and included in the final research questionnaire.

### **2.8.4. Categories and elements derived from motivational theories**

It is important to understand the intrinsic and extrinsic motivators that drive employees' behaviour. These are the driving forces behind what attracts and retains employees.

**Incentive theory of motivation** suggests that external rewards (i.e. monetary and non-monetary incentives) are important considerations for employers, and are seen as the stimuli that attract employees (Silverman, 2004).

According to **Maslow's hierarchy of needs theory**, employees are motivated by different factors, and the needs that motivate individuals can change over time (Collins, 2009). It is therefore important that organisations consider which needs different employees are trying to satisfy, and to structure rewards and other forms of recognition accordingly (Collins & Hussey, 2009).

According to the **Herzberg's two-factor theory**, external work factors such as remuneration, job security, and advancement make people feel positive about their jobs. This theory considers two categories of factors, namely motivation and hygiene. Motivation factors are strong contributors to job satisfaction, and hygiene factors, while not strong contributors to satisfaction, but must be present to meet a worker's expectations and prevent job dissatisfaction. Hygiene factors (i.e. quality of supervision, pay, company policies, physical work conditions, relations with others, and job security) which are in place may alleviate job dissatisfaction, but will not necessarily improve job satisfaction. Employees also require a sense of achievement, recognition, responsibility, opportunity for personal growth, and opportunities for promotion. Hence, motivation requires a twofold approach: eliminating dissatisfiers and enhancing satisfiers (Herzberg, 1987). What follows from this theory is the need

## THEORETICAL LITERATURE REVIEW

for organisations to understand the importance of aligning an employee's attitude and workplace motivation. The theory draws a distinction between motivators and maintenance factors; the latter needs to be provided to avoid feelings of dissatisfaction and include physical work environment and fringe benefits (Walder, 1994).

**Vroom' expectancy theory** is based on three conditions. The employee believes that his or her efforts will result in acceptable performance; that acceptable performance will lead to the desired outcome or reward; and the employee values the reward (Vroom, 1964). What follows from Vroom's theory is that, in order to motivate employees an employer should ensure that employees understand what is expected, the connection between efforts and ensuing rewards should be transparent, the rewards given should meet individual needs, and implementation will not increase an employee effort (Walder, 1994).

**Equity theory** proposes that employees create contribution-and-reward ratios that they compare to those of others. If they feel that their ratios are comparable to those of others, they will perceive that they are being treated equitably (Collins, 2009).

### 2.8.5. Categories and elements derived from attraction and retention strategies

There is a strong relationship between satisfaction with benefits and job satisfaction (MetLife, 2013). Benefits tend to increase employee attraction, retention, and productivity. Important rewards factors used in attraction and retention strategies include: support, responsibility, advancement, flexibility, making a contribution, expecting results, benefits, and job satisfaction.

### 2.8.6. Summary of categories and elements derived from the theoretical literature review

In summary, the categories and elements of rewards that have been identified from the theoretical literature are detailed in Table 8:

**Table 8:** Summary of total rewards categories and elements

Category	Elements
Remuneration	Salary/Pay, 13 <sup>th</sup> cheque, short- and long-term incentives, share options, base pay options, lump sum annual bonus payment, smaller bonuses paid intermittently, variable payment options

## THEORETICAL LITERATURE REVIEW

Category	Elements
<b>Benefits</b>	Medical aid, retirement fund, leave, staff discounts, employee wellness offerings, sabbaticals and other scheduled time reductions
<b>Performance recognition</b>	Non-financial rewards, and formal and informal recognition
<b>Career development</b>	Learning and development opportunities, career/growth opportunities, experiencing working in different organisations, mentoring and coaching
<b>Work–life</b>	Flexible work arrangements and corporate social responsibility opportunities
<b>Security/safety</b>	Longer-term job security, and a safe and secure work environment
<b>Social support</b>	Supportive management, supportive work environment, and resources

These categories and associated elements were used to compile the survey questionnaire that was used to collect quantitative data in Phase I of the present study and the interview questions posed to collect qualitative data in Phase II.

### 2.9. Conclusion

The aim of this study was to develop a total rewards framework for the attraction and retention of the youth. In order to do this, current and relevant theoretical literature, which included generation theory, career- and life-stage models, and a few selected total rewards systems, including the WorldatWork (2015) Total Rewards Model, motivation theories, and attraction retention strategies were reviewed.

Organisations depend on employees' skills, knowledge, and abilities for efficient and effective delivery of services to remain abreast with globalisation and to realise the company's mission, vision, and values. Therefore, attracting and retaining talent and the productivity they represent have become critical to organisations' survival. In order to successfully attract, motivate, retain, recognise, and reward employees, organisations need to understand the preferences of its employees, and have the ability to respond to these. For a reward strategy to be effective, it is necessary to

## THEORETICAL LITERATURE REVIEW

collect data on the preferences of employees, so that an organisation can devise appropriate rewards strategies and assess the influence thereof on employees' attraction, motivation, and retention.

Today, the challenge for employers is to design reward practices that will support business goals being achieved and motivate employees to perform at uninterruptedly high levels. Reward needs and preferences of employees are an important consideration in designing an operational total rewards strategy that will positively affect employee behaviours, and the strategy has to incorporate both extrinsic and intrinsic rewards as motivators. Creating a combination of transactional and relational rewards is required to attract, motivate, and retain high-performance employees. Further, while attraction has been closely related to transactional rewards, motivation and retention have been shown to be closely related to relational rewards (Bussin & Toerien, 2015).

This study used generation theory and selected total rewards models, including the WorldatWork (2016) Total Rewards Model, to identify the potential rewards factors that attract and retain the youth. The questions in the questionnaire were based on these categories and elements. Though the study was based on the reward categories of the WorldatWork (2015) model and was intended to evaluate it, it was deemed necessary to widen the potential elements and categories outside of this model, as the overall objective of the study was to identify the changes that needed to be made to the model, in order to design an effective total rewards framework for the youth.

The researcher identified numerous potential categories and elements that may be used to attract and retain employees, specifically the youth, from the literature. The WorldatWork Total Rewards Model, 2015 provides a comprehensive list of monetary and non-monetary rewards to employees in exchange for their time, talents, efforts and results. These include the categories of remuneration, benefits, work-life effectiveness, recognition, performance management and talent development, which are considered by organisations to be the preferences desired by older generations, but not necessarily those of the youth. In addition, the model, unlike some of the other models reviewed, such as the Hay Group (2008) model does not consider work culture and climate, leadership and direction, work environment, a compelling future, and career- and environmental awards.

Each generation's priorities or preferences vary, as well as their views regarding work. It is increasingly important that organisations offer more of what future generations of employees prefer, rather than what organisations perceive they need. The ideal, therefore, is to ask the youth what their preferences are. This study was therefore aimed at filling this gap by attempting to answer the following research question:

***How can a total rewards framework for the youth be conceptualised best?***

The hypotheses derived from this research question were:

1. There is an association between the reward categories (e.g., remuneration, benefits, performance recognition, etc.) that attract people to organisations and the generation to which they belong.
2. There is an association between the reward categories that retain people in organisations and the generation to which they belong.

The key to retaining the youth in the workplace is understanding what they prefer and providing it in a way that they find meaningful. This could include assigning challenging, meaningful work with clear objectives and expectations, consistently providing constructive feedback, immediate praise and reward for outstanding performance, and creating a flexible and fun work environment and a workspace that is technologically advanced and conducive to teamwork, the sharing of ideas, and innovation. In conclusion, it was hypothesised that the youth are different from previous generations, and understanding what they prefer is critical to an organisation's success; it is equal to understanding customers' needs and wants.

In the next chapter, the researcher discusses, in detail, the research philosophy, design, and approach adopted in this study in order to answer the research question. In addition, the chapter details the ethical consideration, limitations, and procedure of the research study.

## CHAPTER 3

## RESEARCH METHODOLOGY

**3.1. Introduction and overview**

With the problem defined and the goals of the study specified in the previous chapters, the purpose of this chapter is to describe how the researcher proceeded in addressing the research question and research objectives by selecting the appropriate research design and methodology, with the aim to ensure that the research met validity and reliability requirements.

**3.2. Research philosophy**

Before delving into the research design and approach, it is important to examine the research philosophy of this study, which relates to the development of knowledge and the nature of knowledge (Saunders, Lewis & Thornhill, 2009). The way in which social research is carried out depends on how the researcher views the world (Seale, 1999).

*Research philosophy* is a belief about the way in which data should be gathered, analysed, and used. The research philosophy comprises the research strategy employed and research instruments used (Nissen, Klein & Hirschheim, 1991). The philosophies regarding research approaches, which the researcher applied in this research study, were ontology and epistemology. The term *epistemology* refers to what is known to be true, and *ontology* refers to what is believed to be true (Nissen et al., 1991).

**3.2.1. Ontology**

*Ontology* is the viewpoint and social reality of the researcher; and epistemology is how the researcher knows and interprets the world (Schurink, 2009). Ontology is concerned with the nature of reality and assumptions about how the world is constituted, as well as the nature of things. Both aspects of ontology, namely, subjectivism and objectivism were applied in this study. Subjectivism holds that social phenomena are created from the perceptions and consequent actions of those social actors concerned with their existence (Saunders, et al., 2009).

Social phenomena are a continual process, in that, through the process of social interaction, these social phenomena are in a constant state of revision. Remenyi and Williams (1998:35) stress the necessity to study “the details of the situation to understand the reality or perhaps a reality working behind them.” This is often associated with the term *constructionism*, or social constructionism (Saunders, et al., 2009).

The subjectivist view is something that is created and re-created through a complex array of phenomena, which include social interactions and physical factors to which individuals attach certain meanings, rituals and myths. It is the meanings that are attached to these phenomena by social actors within the organisation that need to be understood in order for the culture to be understood (Saunders, et al., 2009). Bryman and Bell (2015) considers social constructionism as social phenomena and their meanings that are continually being changed and revised through social interaction. Human beings construct the organisation and the culture, instead of the organisation and culture being predetermined aspects that affect behaviours. Both these philosophical positions were used in this study.

The objectivism position (or positivism) holds that social entities exist in objective reality, independent of social actors. It deals with verifiable observations and measurable relations between those observations, which do not depend on subjective opinions. It uses the deductive approach and hypothesis testing to study phenomena and interpret data or results.

According to Bryman and Bell (2015), the positivist position of an organisation is that an organisation is a tangible object with rules, regulations, and procedures, with people appointed to different jobs under a division of labour, within a hierarchy. It has a mission and vision, and the organisation has an objective reality that is independent of social actors within it, representing a social order that requires individuals to conform to the rules and regulations. A summary of differences between the positivist and interpretivist paradigms (Easterby-Smith, Thorpe & Lowe, 1991) are shown in Table 9.



**Table 9:** Difference between positivism and interpretivism paradigms

	Positivist paradigm	Interpretivist paradigm
<b>Basic beliefs</b>	<ul style="list-style-type: none"> <li>• The world is external and objective</li> <li>• The observer is independent</li> <li>• Science is value-free</li> </ul>	<ul style="list-style-type: none"> <li>• The world is socially constructed and subjective</li> <li>• The observer is part of what is observed</li> </ul>
<b>Researcher should</b>	<ul style="list-style-type: none"> <li>• Focus on facts</li> <li>• Look for causality and fundamental laws</li> <li>• Reduce phenomena to simplest elements</li> <li>• Formulate hypotheses and then test them</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on meanings</li> <li>• Look at totality of each situation</li> <li>• Develop ideas through induction from data</li> </ul>
<b>Preferred methods include</b>	<ul style="list-style-type: none"> <li>• Operationalising concepts so they can be measured</li> <li>• Using large samples</li> </ul>	<ul style="list-style-type: none"> <li>• Using multiple methods to establish different views</li> <li>• Using small samples, investigated in depth or over time</li> </ul>

**Source:** Easterby-Smith et al. (1991)

While positivists apply fixed structural frameworks in research, interpretivists generally avoid them and adopt a more personal and flexible research structure that are receptive to capturing meanings in human interaction (Black, 2006) and makes sense of what is perceived as reality (Carson, Gilmore, Perry & Gronhaug, 2001). They believe that the researcher and his/her informants are interdependent and mutually interactive (Hudson & Ozanne, 1988). Therefore, the goal of interpretivist research is to understand and interpret the meanings in human behaviour, rather than to generalise and predict causes and effects (Hudson & Ozanne, 1988). For an interpretivist researcher, it is important to understand motives, meanings, reasons, and other subjective experiences that are time- and context-bound (Hudson & Ozanne, 1988).

### 3.2.2. Epistemology

Epistemology is the philosophy of knowledge. Its focus is the origin and nature of knowledge. Hence, it addresses the relationship between the researcher and knowledge (Hirschheim, Klein & Lyytinen, 1995).

Epistemology relates to beliefs about how one might discover knowledge about the world (Creswell, 2012), and refers to the science of knowing (Babbie, 2015). The epistemological position the present study took was to investigate what intrinsic and extrinsic rewards the youth value — what attracts and retains them.

The empirical part of the research is presented from the functional paradigm, which means that, using instruments, the researcher will try to understand the behaviour of this population. The ontology and epistemology of the researcher are that the worldview is explainable, and that reality only exists as meaningful lives are played out (Babbie, 2015).

In summary, ontology deals with how people view the world, how it is made up, and the nature (being) of things. Lee (1999) defines ontology as a concept concerned with the existence of, and relationship between, different aspects of society, such as social actors, cultural norms, and social structure, while epistemology is about how to get valid knowledge and who will supply it.

Integrating both concepts, the present study's focus was the rewards systems used in business organisations. An organisation consists of a group of people who collaborate to achieve a commercial goal, and the organisational structure defines how activities such as task allocation, co-ordination, and supervision are directed towards the achievement of this goal. The organisational structure determines how roles, power, and responsibilities are assigned, controlled, and co-ordinated, and how information flows between the different levels. The structure depends on the organisation's objectives and strategy. In a centralised structure, top management owns most of the decision-making power, and has tight control over departments and divisions. The decision-making power is distributed, and the departments and divisions may have different degrees of independence.

## RESEARCH METHODOLOGY

The main research question was: How can a total rewards framework for youth be conceptualised best?

The research objectives were to:

- evaluate the effectiveness of the reward categories of the WorldatWork (2015) Total Rewards Model;
- identify the factors that attract the youth to organisations;
- identify the factors that retain the youth in organisations;
- determine what changes need to be made to the reward categories of the WorldatWork (2015) Total Rewards Model make it more effective; and
- develop an effective total rewards framework for attracting and retaining the youth.

Some of the motivators of employees and the reward factors are quantitative and others are qualitative in nature. Therefore, both the interpretivist and positivist paradigms were applied in this study. In order for the researcher to collect valid and reliable data, the researcher targeted both qualified youths and qualified non-youths, particularly those in tertiary institutions, HR generalists (HRGs), and recruitment, remuneration, and organisation development (OD) specialists, as these are the people who were assumed to possess relevant knowledge regarding the issues being investigated in this study.

In order to answer this research question, this study consisted of two phases. Because some of the reward categories were quantitative in nature (such as remuneration, benefits, work–life, performance recognition, and career development), there were hypotheses to be tested. All the key variables (including the qualitative concepts) could be measured quantitatively, using a Likert scale (which also increased objectivity); therefore, the positivism paradigm was applied in Phase I. In Phase II, as some aspects of rewards were naturally subjective and context-bound, had evolved from experience, and could change over time (from generation to generation), interpretivist assumptions were applied. The qualitative methodology enabled the researcher to make the study more comprehensive by gaining in-depth explanations and interpretations of the significant relationships found in Phase I, by asking why and how the relationships occurred. This aided validation of the results obtained in Phase I.

### 3.3. Research approach

This study was set to fill the gaps that were identified in the body of knowledge by critically reviewing the literature, which also guided the researcher in the following direction.

The researcher utilised a sequential mixed-method approach to explore and guide the evaluation of the reward categories of the WorldatWork (2015) Total Rewards Model in attracting and retaining, to determine changes needed to be made to this model in order to develop an effective total rewards framework for attraction and retention of the youth.

To address the diversity, validity, and reliability of responses from participants, a mixed methodology was necessary (Jupp, 2006). According to Halcomb and Andrew (2005), the use of multiple data sources and methods to cross-check and validate findings increases the depth and quality of the results to improve the consistency and accuracy of data by providing a more complete picture of the results received in the quantitative phase of the study.

The research approach that the researcher followed is described below. The approach ensured maximum control over the validity, reliability (Phase I), credibility, replicability, and transferability (Phase II) of the findings, describing how, why, when, and where data were collected to answer the research question and test the hypotheses.

In this descriptive and explanatory study, quantitative and qualitative data-collection techniques were used, that is, questionnaires and semi-structured interviews, which were required to explore and understand the outcomes. A sequential, exploratory, mixed-method design strategy was employed in the collection and analysis of the data. The qualitative results were used to explain and interpret the findings of the quantitative phase of the study (Creswell, 2013). Each of these activities occurred at different times. The tools and methodology employed are described below.

### **3.3.1. Phase I: Quantitative research approach**

Phase I entailed a quantitative study by means of a questionnaire distributed to pre-defined professional databases, tertiary institutions, private and public companies, as well as parastatals. The questionnaire methodology was selected in order to collect multiple responses from as many respondents as possible, including employed youths and students, in order to understand what attracts them to and retains them in organisations.

During Phase I of the research, the researcher took the view that outcomes could be measured and expressed in numbers (Creswell, 2013); therefore, an objective stand was taken with the quantitative review of the data. The researcher was objective, and followed a holistic approach.

Quantitative research can be defined as research with the main purpose of quantifying data collected during the analysis thereof (Bryman & Bell, 2015). By conducting a survey, a large number of questionnaires were distributed electronically and in hard copy, providing the researcher the opportunity to gain an accurate picture of the preferences of the population (Brewerton & Millward, 2001).

The quantitative methodology shares its philosophical foundation with the positivist paradigm, and is based on rigid rules of logic and measurement, truth, absolute principles, and prediction (Halcomb & Andrew, 2005). This was supported by the qualitative methodology with the interpretive paradigm — the view that there are many truths and multiple realities (Bryman & Bell, 2015).

### **3.3.2. Phase II: Qualitative approach**

Phase II entailed a qualitative study using interviews to explain and interpret the results of Phase I more comprehensively by means of semi-structured interviews. Interviews were scheduled with employed youths, HRGs, and HR specialists in recruitment, remuneration, and OD to validate the findings (preliminary conclusions) and explain the relationships found through the analysis of the responses to the questionnaires. Qualitative research helped to fill the gaps left in the explanations and interpretations of the results of the quantitative research by providing in-depth and rich information on the issues that were investigated.

## RESEARCH METHODOLOGY

Qualitative research can be defined as research using methods such as interviews, which the researcher employed, resulting in a narrative — a descriptive account of the setting and responses (Jupp, 2006). The results were used to answer questions about people's ways of organising, relating to, and interacting with the world (Jupp, 2006), which affect their decision-making. The purpose of collecting qualitative data was to empirically add in-depth information and interpretation to the preliminary conclusions, drawn after analysing the primary data collected during Phase I.

Considering the social context of the objects being studied, the reliability of the research could only be assessed in similar social contexts (Rollsjö, 2009). The researcher ensured the reliability of the research by thoroughly describing the research process.

The validity of qualitative research refers to the credibility of its results (Bryman & Bell, 2015). All the interviews were electronically recorded and then transcribed; data collection was not limited to taking notes during the interviews, which guaranteed that no information was missed or misinterpreted during the analysis.

Table 10 presents a summary of the research approach the researcher adopted in conducting both the quantitative and qualitative phases of the research.

**Table 10:** Summary of the research approach

Characteristic	Positivist view	Interpretive view
<b>Approach</b>	Phase I: Quantitative	Phase II: Qualitative
<b>Purpose</b>	Collecting data in a structured and standardised format	To ensure value and depth of the contents
<b>Beliefs</b>	<ul style="list-style-type: none"><li>• One truth exists</li><li>• Must be objective</li></ul>	<ul style="list-style-type: none"><li>• Many truths and realities exist</li><li>• Seeking common truths and realities</li></ul>
<b>Nature of data</b>	Measurable outcomes from questionnaire data	Descriptive, explanatory, and contextual words from interviews
<b>Study sample</b>	Clear and precise inclusion and exclusion data	Representatives who are able to provide expertise from different points of view

**Source:** Halcomb & Andrew (2005), Cole (2006), and Weaver & Olson (2006)

Due to the nature of the research, there was no single paradigm that could satisfactorily deal with all the related methodological aspects. Therefore, the researcher found it necessary to combine the quantitative, positivist paradigm with the qualitative, interpretive paradigm. The blending of the paradigms provided the researcher with the ability to statistically analyse the scientific data, whilst recognising the environmental factors that influence the youth's decision-making.

### 3.4. Research methodology

*Research methodology* is a collective term for the structured process of conducting research. There are many different methodologies for the various types of research, and the term is usually considered to include research design, data gathering, and data analysis (Polit & Beck, 2001)

In the present study, data were firstly collected through questionnaires. Thereafter, abstract and descriptive research, in the form of semi-structured interviews, was conducted. According to Richards and Morse (2012), qualitative, descriptive approaches are extremely helpful, because evidence of experience and knowledge can easily be missed when quantitative methods are used, leaving gaps in the explanations and interpretation of the results, especially when answering questions related to why and how phenomena occur.

In order for the researcher to gain different perspectives and draw attention to factors regarding the attraction and retention of the youth, descriptive research methods were employed. According to Polit and Beck (2001), descriptive methods are used when the researcher seeks to describe, observe, and document a naturally occurring phenomenon that cannot readily be ascribed an objective value.

The research methodology is the method chosen by the researcher to execute the research design in each of the phases. The research methodology encompasses such concepts as the paradigm and quantitative and qualitative techniques. A paradigm is a basic set of beliefs that guide action (Guba, 1990). These beliefs are also called *philosophical assumptions*, *epistemologies*, or *ontologies* (Crotty, 1998).

## RESEARCH METHODOLOGY

In this regard, studies are referred to as positivist/post-positivist research, empirical science research, and post-positivist studies (Creswell, 2012).

In the next sections, divided into discussions on the qualitative and quantitative methods employed (Table 11), the researcher discusses the methods in detail.

**Table 11: Summary of research methodology used**

Research methodology	Phase I: Quantitative	Phase II: Qualitative
<b>Pilot study</b>	Supervisor input was obtained, and draft questionnaires were distributed, using convenience sampling, to a pilot group of ten respondents	Supervisor input was obtained, and a pilot interview was conducted
<b>Measuring instrument</b>	Researcher developed a questionnaire	Researcher developed a semi-structured interview guide
<b>Sampling methods</b>	Non-probability methods	Non-probability methods
<b>Data collection</b>	Paper and electronic questionnaires were distributed	Face-to-face and telephonic interviews were conducted
<b>Statistical/Data analysis</b>	Measurable outcomes from questionnaire data, using: <ul style="list-style-type: none"><li>• frequency analysis</li><li>• descriptive analysis</li><li>• factor analysis</li><li>• non-parametric tests</li></ul>	Descriptive, explanatory, and contextual words of interview data were analysed through an inductive approach, using: <ul style="list-style-type: none"><li>• meaning condensation</li><li>• meaning categorisation</li><li>• coding</li><li>• content analysis</li><li>• frequency analysis</li><li>• factor analysis</li></ul>
<b>Generalisability Transferability</b>	<b>Generalisability</b> <ul style="list-style-type: none"><li>• Demographic representation</li><li>• Inferential statistics from a representative sample</li></ul>	<b>Transferability</b> <ul style="list-style-type: none"><li>• Demographic representation</li><li>• Similarity of independent responses</li></ul>



Research methodology	Phase I: Quantitative	Phase II: Qualitative
	<ul style="list-style-type: none"> <li>• Large sample size</li> </ul>	<ul style="list-style-type: none"> <li>• Sample size was small, limiting transferability to population</li> </ul>
<b>Reliability, validity, and credibility</b>	<b>Reliability and Validity</b> <ul style="list-style-type: none"> <li>• Detailed literature review</li> <li>• WorldatWork (2015) Total Rewards Model</li> <li>• Pilot study</li> <li>• Compliance with ethical standards for data collection</li> <li>• Consent obtained</li> <li>• Cronbach alpha test</li> </ul>	<b>Credibility</b> <ul style="list-style-type: none"> <li>• Semi-structured interview guide</li> <li>• Interviews were recorded and fully transcribed</li> <li>• Compliance with ethical standards for data collection</li> <li>• Consent obtained</li> <li>• Responses limited to personal experiences</li> </ul>

### 3.4.1. Phase I: Quantitative methods

A questionnaire was developed to evaluate what reward categories youths and non-youths find meaningful when deciding whether to join an organisation, as well as what influences them to remain with an organisation.

No previous questionnaire existed for research of this nature; therefore, the researcher developed and validated the questionnaire before it was administered. The questionnaire was constructed after a thorough review of available literature and consultation with the research supervisor, remuneration specialists, and the researcher's knowledge and professional experience. The final questionnaire was, to a large degree, based on the reward categories and elements of the WorldatWork (2015) Total Rewards Model, coupled with other elements identified from the literature review ([Appendix A](#)).

The questionnaire formed the basis of the quantitative research, and was initially verified with a pilot group, before being finalised and distributed to the respondents.

### 3.4.2. Pilot study

As recommended by Calmeyer, De Kok, Hardy, Rogers and Taljaard (2011), a pilot study was conducted prior to the distribution of the final questionnaire. The questionnaire was distributed and discussed to a pre-defined pilot group of remuneration specialists to assess its relevance, clarity, and accessibility of the questions. The questionnaire was then distributed in hard copy and online format (Ritter & Sue, 2007) to a portion of the target population. A pilot study was used to test the reliability and internal consistency of the questionnaire, and the pilot group was asked to comment on the questionnaire and identify possible challenges and misinterpretations that could arise in answering the questionnaire. They were also requested to indicate the time it took to complete the questionnaire.

According to Connelly (2008), extant literature suggests that a pilot study should be 10% of the sample projected for the larger study. Hill (1998) suggested ten to 30 respondents for a pilot study, and Julious (2005) (in the medical field) and Van Belle (2011) suggested 12. The pilot study sample for the present research included ten respondents. This number was aligned with the minimum prescribed to achieve data saturation. These respondents were not used in the formal survey.

The distribution of the pilot questionnaire was done through convenience sampling of remuneration specialists and HR industry members who possessed knowledge and experience in the field. After obtaining their input (e.g., that certain questions were unclear and that the questionnaire took between 10 – 15 minutes to complete), the questionnaire was amended and unclear questions were clarified, incorporating all respondent inputs to increase the validity and reliability of the questionnaire. The questionnaire was then finalised and distributed to potential respondents. Table 12 shows the alignment of the research objectives to the methodology used.

**Table 12:** Alignment of research objectives

Research objectives	Research methodology	Data collection method	Data analysis technique
To evaluate the effectiveness of reward categories of the	Quantitative and qualitative	Survey questionnaire	Pearson chi-square test, Kruskal-Wallis test, and

Research objectives	Research methodology	Data collection method	Data analysis technique
WorldatWork total rewards model (2015)		and interviews	categorisation and thematic analysis
To identify the factors that attract the youth to organisations	Quantitative	Survey questionnaire	Pearson chi-square test, Kruskal-Wallis test, and factor analysis
To identify the factors that retain the youth in organisations	Quantitative	Survey questionnaire	Pearson chi-square test, Kruskal-Wallis test, and factor analysis
To determine what changes need to be made to the WorldatWork (2015) Total Rewards Model to make it more effective	Quantitative and qualitative	Survey questionnaire and interviews	Pearson chi-square test, Kruskal-Wallis test, and categorisation and thematic analysis

### 3.4.3. The measuring instrument

The questionnaire as measuring instrument included three sections: Section A requested demographic information in order to compile a demographic profile of the respondents. Section B provided total reward categories and elements for attraction and retention, addressed separately, and provided a section where respondents were given the opportunity to provide feedback in their own words. In Section C, respondents could request feedback on the results. All questions were mandatory, with the exception of the open-ended questions at the end of the two parts in Section B and Section C.

#### 3.4.3.1. Section A: Demographic data

In this section, the researcher sought to gather demographic data of the respondents who participated in the study, detailed in Table 13.

These questions yielded facts about the respondents, which the researcher analysed according to frequency, to determine the profile of respondents born from 1981 to

## RESEARCH METHODOLOGY

2000, in order to compare it to the profiles of employees born from 1946 to 1964 and 1965 to 1980.

Multivariate analysis was then conducted, to compare the results by year of birth, total rewards elements, and demographic results, to determine if there were significant relationships between the three.

**Table 13:** Questions related to demographic data

Variables	Purpose
<b>What is your year of birth?</b>	To determine year of birth, in order to distinguish groups, i.e. those born 1946–1964, 1965–1980, and 1981–2000
<b>Are you currently employed?</b>	To determine the employment status of the respondent
<b>Gender</b>	To determine the gender composition of the sample
<b>Race</b>	To determine whether all race groups were represented in the sample
<b>Marital status</b>	To determine the distribution by marital status
<b>How many years' work experience do you have?</b>	To determine years', work experience of the respondent
<b>What is the highest level of school or degree you have completed?</b>	To evaluate if the criteria for participation in the study were met
<b>Where you are currently based?</b>	To determine provincial representation
<b>Field of study</b>	To determine representation across the major fields of study, and if the related criteria of the study were met
<b>Where do you live?</b>	To determine if respondents living with their parents, on university campuses, or independently are driven by different rewards
<b>Who is your employer?</b>	To determine representation across the various employment sectors

### 3.4.3.2. Section B: Total Reward Elements

In this section of the questionnaire, closed-ended matrix questions were answered on a Likert scale that provided respondents with a standardised set of response choices, ranging from *Very important* to *Not important at all* (Table 14).

**Table 14:** Measurement scale

Measurement scheme	Assignment
Likert scale: 5 categories	<ol style="list-style-type: none"> <li>1. Not important at all</li> <li>2. Somewhat important</li> <li>3. Neutral</li> <li>4. Important</li> <li>5. Very important</li> </ol>

**Source:** Likert (1932)

The closed-ended matrix questions in this section related to attraction and retention:

1. When joining an organisation, the following total reward elements are/will be important to me.
2. The following reward elements have or will influence my decision to remain with an employer.

The closed-ended questions related to reward categories and elements from the WorldatWork (2015) Total Rewards Model and others are described in Table 15; they are presented in detail in [Appendix A](#).

Responses to these closed-ended questions were a combination of facts, knowledge, and intent. Facts are characteristics or situations that exist or have existed in the past. Intentions are anticipated or planned behaviours (Diamantopoulos & Schlegelmilch, 2000). The questionnaire, in addition, collected data on attitude and opinion, indicating the respondents' views, preferences, inclinations, and feelings (Diamantopoulos & Schlegelmilch, 2000).

Table 15 provides an overview of the WorldatWork Total Rewards Model (2015) categories covered in the questionnaire, their descriptions, and the elements of each category.

**Table 15:** Section B: Total rewards — category, definition and elements

Category	Definition/Description	Elements
<b>Remuneration</b>	Pay provided by an employer to an employee for services rendered (i.e. time, effort, and skill); includes both fixed and variable pay tied to levels of performance (WorldatWork, 2015)	<ul style="list-style-type: none"> <li>• Salary/Pay</li> <li>• 13<sup>th</sup> cheque</li> <li>• Short-term incentives</li> <li>• Long-term incentives</li> <li>• Share options</li> </ul>
<b>Benefits</b>	Programmes an employer uses to supplement the cash remuneration that employees receive; a specific set of organisational practices and policies (WorldatWork, 2015)	<ul style="list-style-type: none"> <li>• Medical aid</li> <li>• Retirement fund</li> <li>• Leave</li> <li>• Employee discounts</li> <li>• Employee wellness offerings</li> <li>• Sabbaticals and other scheduled time reductions</li> </ul>
<b>Performance recognition</b>	Non-financial rewards and recognition; either formal or informal programmes that recognise employee performance (WorldatWork, 2015)	<ul style="list-style-type: none"> <li>• Non-financial rewards</li> <li>• Formal recognition</li> <li>• Informal recognition</li> </ul>
<b>Career development opportunities</b>	A set of learning experiences designed to enhance employees' skills and competencies (WorldatWork, 2015)	<ul style="list-style-type: none"> <li>• Learning and development opportunities</li> <li>• Career/Growth opportunities</li> <li>• Experience working in different organisations to maximise career progression</li> <li>• Experience working in different organisations to maximise career earnings potential</li> <li>• Formal coaching or mentoring programmes</li> </ul>

Category	Definition/Description	Elements
<b>Work-life</b>	A specific set of organisational practices, policies, and programmes, underpinned by a philosophy that actively supports employees in achieving success, both at work and at home (WorldatWork, 2015)	<ul style="list-style-type: none"> <li>• Flexible work arrangements</li> <li>• Corporate social responsibility</li> </ul>

**Source:** WorldatWork (2015)

The additional elements detailed in Table 16 were included, based on the theoretical literature on the youth's preferences.

**Table 16:** Section B: Total reward definitions (continued)

Category	Definition/Description	Elements
<b>Remuneration</b>	Pay provided by an employer to an employee for services rendered (i.e. time, effort, and skill). Includes both fixed and variable pay tied to levels of performance (WorldatWork, 2015)	<ul style="list-style-type: none"> <li>• Higher base salary with limited bonus potential</li> <li>• Lower base salary with unlimited bonus potential</li> <li>• Lump sum annual bonus payment</li> <li>• Smaller bonuses paid intermittently</li> </ul>
<b>Safety/Security</b>	Stability and physical safety in the environment, created by the employer (Towers Watson, 2012)	<ul style="list-style-type: none"> <li>• Longer-term job security (&gt; 12 months)</li> <li>• Safe and secure work environment</li> </ul>
<b>Social support</b>	Supportive management and working environment (Armstrong, 2010)	<ul style="list-style-type: none"> <li>• Supportive management</li> <li>• Supportive environment</li> </ul>

**Source:** WorldatWork (2015), Towers Watson (2012), and Armstrong (2010)

The questionnaire further included open-ended questions at the end of each section. The open-ended question tested if the researcher had excluded any reward elements

available in the respondents' organisations or the larger external environment that they deemed important.

1. What reward elements not listed above are important to you when selecting an employer?
2. What reward elements not listed above are unique to your organisation that have/will influence your decision to remain with your employer?

### **3.4.3.3. Section B: Total reward options' rank order**

The third type of question applied was closed-ended questions. The concluding section of the questionnaire required multiple responses. Respondents had to rank their preferences on a ranking scale. A description of each of these categories is provided in Table 15.

The questions posed to respondents included the following:

1. On a scale of 1 to 5, with 1 being the least important and 5 the most important, how do you rank the following by importance when deciding to join an organisation?
2. On a scale of 1 to 5, with 1 being the least important and 5 the most important, how do you rank the following by importance when deciding to remain with an organisation/employer? Table 17 shows the ranked total rewards category.

**Table 17:** Ranked total rewards category

Total Reward Category	Ranking order
Remuneration	
Benefits	
Work–life	
Performance recognition	
Career development opportunities	
Safety/Security	
Social support	

### **3.4.3.4. Section C: Feedback**

In the third section of the questionnaire, respondents were given the opportunity to confirm if they desired a copy of the results, which the researcher would make



## RESEARCH METHODOLOGY

available at the end of the study. A total of 34 respondents requested a copy of the results.

The questionnaire took ten to 15 minutes to complete, and was in English. Please refer to ([Appendix A](#)) for a copy of the final questionnaire.

### 3.4.4. Sampling methods

Sampling is the process by which informants are selected (Brewerton & Millward, 2001). In quantitative research, the sampling process is of great importance, as it helps a researcher to obtain a sample that is representative of the population (Rollsjö, 2009). The sampling methods described in Table 18, were applied in the present research.

Non-probability methods were applied by the researcher. This type of sampling was selected based on the population data of South Africa Central Statistics (2013), focusing on the two most densely populated provinces in South Africa, i.e. Gauteng and KwaZulu-Natal, whilst ensuring representation from the other provinces through electronic distribution of the questionnaire.

In order to determine what rewards (tangible and intangible) skilled and qualified employees are seeking, the final sample included undergraduate or post graduate students from tertiary institutions, as well as qualified and skilled employees from private and public organisations. The researcher also made use of two professional databases to which specialists subscribe.

**Table 18:** Sampling methods

Non-probability methods		Selection criteria
Pilot study	Convenience sampling	Convenience sampling relies on data collection from population members who are conveniently available to participate in study (Saunders, et al., 2009). The researcher as one of the sampling methods used convenience sampling for the pilot study, and members were selected on the basis of

Non-probability methods		Selection criteria
		representation, subject matter expertise, and availability/accessibility
	<b>Judgemental sampling</b>	The sample for the pilot study and the larger sample were selected on the basis of the researcher's judgement (Tongco, 2007) regarding what constitutes a representative sample, in the interest of valid research
<b>Final Sample</b>	<b>Purposive sampling</b>	The sample was selected with a specific objective in mind, based on the researcher's and supervisor's expert opinions (Tongco, 2007), and were therefore intentionally selected
	<b>Snowball Sampling</b>	Snowball sampling is a non-probability sample technique which involves including members of the target population by drawing on existing contacts and their contacts (Brewerton & Millward, 2001). Interviewees referred the researcher to other potential participants
	<b>Quota sampling</b>	The sample was selected on the basis of satisfying pre-determined criteria that applied to the sample (Trochim, 2006), e.g., qualified employed youth, tertiary institutions, graduate and postgraduate students, employed and unemployed, and different organisations, i.e. private and public sectors

**Source:** Saunders, et al (2009), Trochim (2006), Brewerton & Millward (2001) and Tongco (2007)

### **3.4.5. Data collection**

When trying to determine the preferences of a large group of individuals, the quantitative research method is the most suitable (Brewerton & Millward, 2001). Once the questionnaire for the present study had been finalised, and following the pilot study, paper-based and electronic questionnaires were distributed as widely as possible to the defined population.

The approach to obtaining the data varied, but was aligned to the objective of securing responses from the defined population. The researcher sent a web-based questionnaire using Inqwise ([www.inqwise.co.za](http://www.inqwise.co.za)) an online survey tool, to the identified companies and professional associations. Respondents were invited by e-mail to the host survey site containing a URL/web address through which respondents could access the questionnaire.

The email contained a standardised invitation, confirming the purpose of the research and that participation was voluntary, together with a web link directing respondents to the questionnaire, where they electronically confirmed their consent to participate in the study before commencing with completion of the questionnaire. With the web-based questionnaire, respondents had the opportunity to complete the survey in their own time and space before the deadline.

Hard-copy questionnaires were distributed at a number of lectures, conferences, and training sessions to attendees, with the approval of the organisation, tertiary institution and/or professor. The questionnaire included an introductory letter, which provided an overview and the purpose of the research, and a space on the form where respondents had to indicate their consent to participate in the study.

The researcher distributed 450 questionnaires, of which 276 usable questionnaires were received — a response rate of 61.3%.

The web-based tool, in addition to aiding the distribution and online completion of the electronic questionnaire, allowed for the manual capturing of hard-copy questionnaire responses. On completion of the capturing, the system assisted with the compilation of graphs, which the researcher used in the analysis and presentation of the findings.

## RESEARCH METHODOLOGY

Following the capturing of the paper-based responses in the online survey database, the researcher transferred the data into MS Excel, where it was coded and prepared for upload to IBM SPSS Statistics Version 22 Data Editor (SPSS). The statistical analysis was then completed in SPSS, using descriptive and inferential statistics, with the assistance of a statistician.

### **3.4.6. Method of statistical analysis**

The method of statistical analysis, using SPSS, involved a number of steps, described below, to establish the reliability of the data and enable reporting.

The researcher began a frequency analysis evaluating the frequency of responses (described in Chapter 4). Thereafter the researcher conducted a Cronbach alpha test, to test the credibility and reliability of the instrument. The starting point in the descriptive analysis was the construction of a frequency distribution for each variable of interest, shown in absolute or relative percentages summarising different levels of measurement (Diamantopoulos & Schlegelmilch, 2000).

Descriptive analysis was used to describe the data's relevance and appropriateness. A factor analysis was then conducted to establish the principle components of the key variables measured. This was done by categorising the factors that were thought to attract and retain the youth. Statistical inferential questions were used to collect data that were analysed to relate variables and compare groups of variables, so that inferences could be drawn regarding the sample and the population (Creswell, 2012).

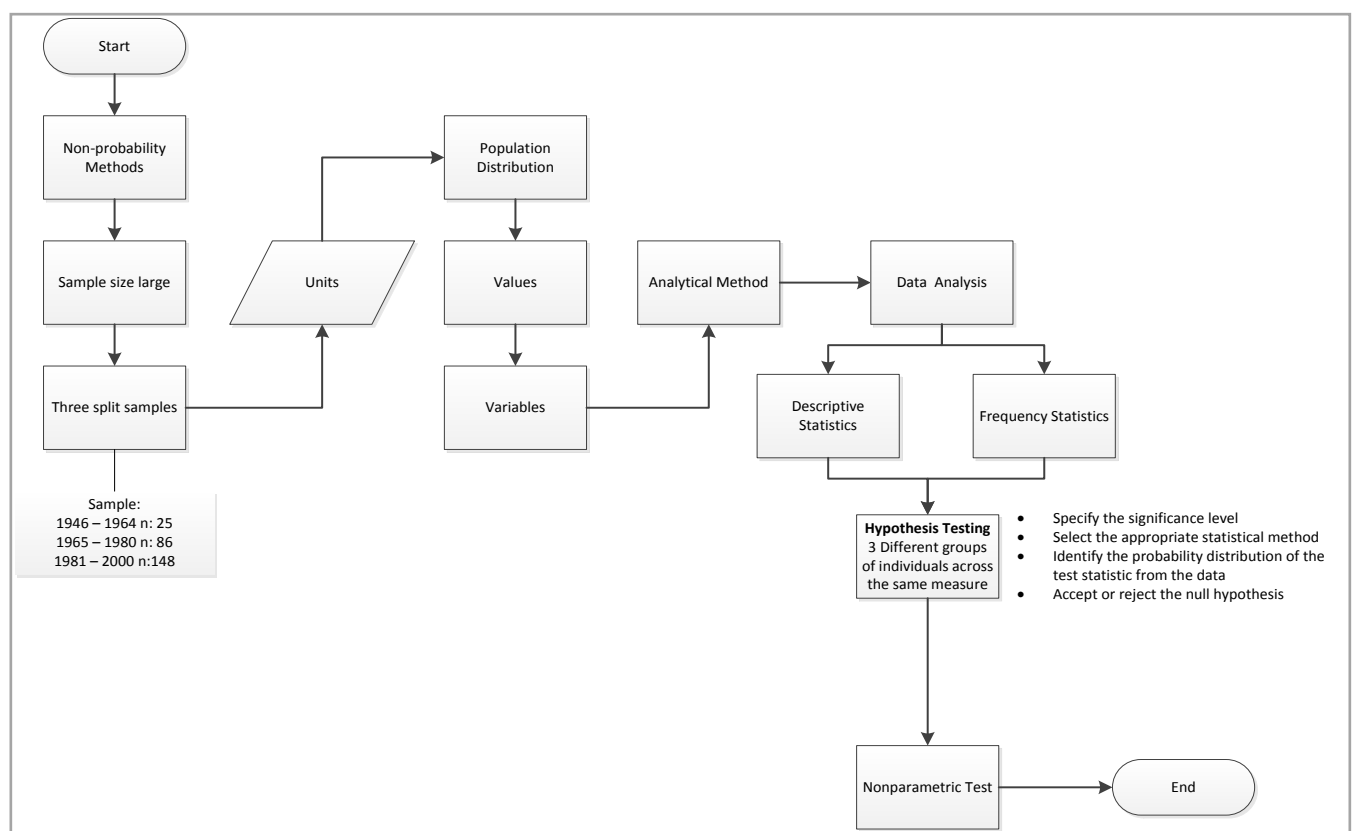
The relationships between the variables were determined by using the chi-square test and the Kruskal-Wallis test, a nonparametric test. As part of the analysis of frequency distribution, the researcher used the mean and median to determine the central tendencies of the variables. The mean represents the average equalling sum of the values/total number of cases. The median represents the middle attribute in the ranked distribution of observed cases (Diamantopoulos & Schlegelmilch, 2000).

The dispersion of the data was also considered, using the standard deviation and variance, which is defined as the spread of the values around the central tendency. The standard deviation measures how concentrated the data are around the mean — the more concentrated the data are, the smaller the standard deviation is. This

## RESEARCH METHODOLOGY

measured the amount of variability among the numbers in a data set, calculating the typical distance of a data point from the mean of the data (Diamantopoulos & Schlegelmilch, 2000).

If the standard deviation is relatively large, it means the data are quite spread out, away from the mean. If the standard deviation is relatively small, it means the data are concentrated near the mean (Trochim, 2006). The results of these analyses are presented in tables and graphs in Chapter 4. Below is a discussion of the analytical methods and techniques that were applied in this research study.



**Figure 15:** Statistical analysis approach

### 3.4.6.1. Variable analysis

Bivariate analysis was used to analyse the data (Table 19), to determine the empirical relationship between the groups, based on year of birth and preferred total rewards elements (Babbie, 2015). Multivariate analysis was then used to analyse the data, to determine the relationship between the demographic data, age groups, and total rewards elements (Babbie, 2015).

**Table 19:** Variable analysis

Analysis type	Variable 1	Variable 2	Variable 3	Outcome
<b>Bivariate analysis</b>	<b>Year of birth</b>			
	1946–1964	30 rewards		• Frequency of responses
	1965–1980	elements		• Preferences
	1981–2000			
<b>Multivariate Analysis</b>	<b>Year of Birth</b>			
	1946–1964	11 demographic	30 rewards	• Frequency of responses
	1965–1980	elements	elements	• Preferences
	1981–2000			• Relationship

### 3.4.6.2. Frequency distribution

The frequency distribution statistical technique was used to describe the frequencies and dispersion of the responses of the sample, showing the absolute number and relative terms in percentages (Diamantopoulos & Schlegelmilch, 2000). The frequency distribution table utilised in this study is described in Table 20. The researcher describes the data by valid percent, excluding the missing cases, in Tables 22 and 31.

**Table 20:** Frequency distribution description

Frequency	Percent	Valid percent	Cumulative percent
Reports the number of cases in each category of the variable being analysed	Provides a percentage of the total cases	Provides a percentage that does not include missing cases	Adds the percentages of each region from the top of the table to the bottom, culminating in 100%

### 3.4.6.3. Chi-square test

Pearson's chi-square test is a statistical procedure whose results are evaluated with reference to the chi-square distribution. It tests a null hypothesis stating that the frequency distribution of certain events observed in a sample is consistent with a particular theoretical distribution (Nordstokke & Zumbo, 2010). The events considered must be mutually exclusive and have total probability of 1. Pearson's  $\chi^2$  measures relationships in variables that are linearly related. It cannot distinguish linear from

## RESEARCH METHODOLOGY

nonlinear data (Cooper & Schindler, 1998). A common case of this is where each event covers an outcome of a categorical variable; a test of independence assesses whether paired observations on two variables, expressed in a contingency table, are independent of each other. The chi-square test was used to test the hypotheses listed in Chapter 1.

The first step in the chi-square test is to calculate the chi-square statistic. The statistic is calculated by finding the difference between each observed and theoretical frequency for each possible outcome, squaring them, dividing each by the theoretical frequency, and taking the sum of the results. A second important part of determining the test statistic is to define the degrees of freedom of the test, that is, the number of observed frequencies adjusted for the effect of using some of those observations to define the theoretical frequencies.

### The chi-square formula

In order to perform a test of  $H_0$ , a statistic that summarises the discrepancies between the observed frequencies ( $O_i$ ) and the expected frequencies ( $E_i$ ) is required. One such statistic is chi-square ( $\chi^2$ ), which is defined by the formula

$$\chi^2 = \sum_i \frac{(O_i - E_i)^2}{E_i}$$

where

$\chi^2$  = Pearson's cumulative test statistic, which asymptotically approaches a  $\chi^2$  distribution;

$O_i$  = an observed frequency; and

$E_i$  = an expected (theoretical) frequency, asserted by the null hypothesis, which, in words, is:

$$\chi^2 = \text{sum of } \frac{(\text{Observed frequency} - \text{Expected frequency})^2}{\text{Expected frequency}} \text{ over all cells or classes.}$$

**Source:** Mantel (1963)

When using the chi-square test, the level of measurement involved in the categorisation scheme makes no difference to the kind of  $\chi^2$  test, the goodness-of-fit

## RESEARCH METHODOLOGY

test, to be used. They all operate on frequency counts derived from any kind of data. However, there are some rules for chi-square tests:

- i. The number of items appearing in the 'expected' category, obtained during the stages of computation, must be at least five.
- ii. The tests must be carried out on the actual numbers of items that appear in the cells, not on derived proportions or percentages. Even though the proportions of numbers are unaltered, the test is invalidated if the original numbers are not used.

### **3.4.6.4. Factor analysis**

Exploratory Factor Analysis (EFA) was used to identify the structure of the relationships among the items in the total rewards framework, to assess the dimensionality of the items. It was used to categorise the potential rewards factors to attract and retain the youth (Demo, Neiva, Nunes & Rozzett, 2012). EFA was particularly useful in this study, as it demonstrated the dimensionality of the rewards factors measurement scale by identifying the number of latent constructs and the underlying factor structure of a set of reward factors (Marsh, Muthén, Asparouhov, Lüdtke, Robitzsch, Morin & Trautwein, 2009).

EFA requires that the minimum number of cases for reliable results to be at least five times the number of questions or variables (Mundfrom, Shaw & Ke, 2005). The technique of extracting factors attempts to take out as much common variance as possible in the first factor. Subsequent factors are, in turn, intended to account for the maximum amount of the remaining common variance, until, ideally, no common variance remains. Direct extraction methods obtain the factor matrix directly from the correlation matrix by application of specified mathematical models. Most factor analysts agree that direct solutions are not sufficient (Mulaik, 1990). Adjustment to the frames of reference by rotation methods improves the interpretation of factor loadings by reducing some of the ambiguities that accompany the preliminary analysis (Child, 1990). In the present study, the factors were obliquely rotated using the varimax method of rotation with Kaiser normalisation (Norušis, 1998). According to Norušis (1998), an oblique factor solution is appropriate if the objective of the research is to obtain several theoretically meaningful factors. Latent root criterion was used to decide which factors to eliminate Norušis (1998). A correlation matrix was generated for the purpose of calculating the input variables and to assess the factorability of the identified indicators.



Determining the number of factors to be extracted (by a factor analytic procedure) means retaining the factors that account for the most variance in the data (Mulaik, 1990). The criteria for determining the number of factors are: Kaiser's criterion, suggested by Guttman (1982), considering factors with an eigenvalue greater than 1 as common factors (Nunnally, 1978), and Cattell's (1966) scree test. The Kaiser criterion helps one to use a number of factors equal to the number of the eigenvalues of the correlation matrix that are equal to or greater than 1. The scree test is based on an analogy between the debris called *scree* that collects at the bottom of a hill after a landslide, and the relatively meaningless factors that result from over-extraction. On a scree plot, because each factor explains less variance than the preceding factors, an imaginary line connecting the markers for successive factors generally runs from top left of the graph to the bottom right. If there is a point below which factors explain relatively little variance and above which they explain substantially more, this usually appears as an 'elbow' in the plot. This plot resembles the profile of a hillside (Serumaga-Zake, 2014).

The portion beyond the elbow corresponds to the rubble, or scree, that gathers. Cattell's (1966) guidelines call for retaining factors above the elbow and rejecting those below it. Proportion of variance accounted for keeps a factor, if it accounts for a predetermined amount of the variance (e.g., 5%, 10%). A factor is defined by considering the possible theoretical constructs that could be responsible for the observed pattern of positive and negative loadings.

The factor analysis technique is used with interval data (Johnson, 1998). Field (2009) states that factor analysis can be used to reduce a data set to a more manageable size while retaining as much of the original information as possible. The factor analytic procedure displays the correlation between each pair of the variables (items) in what is known as an R-matrix, which is merely a table of correlation coefficients between these variables. In this matrix, the diagonal elements are all ones (1), because each variable will correlate perfectly with itself (Field, 2009).

The off-diagonal elements are the correlation coefficients between pairs of variables or items. The presence of clusters or bunches of large correlation coefficients between subsets of variables suggests that those variables could be measuring aspects of the

## RESEARCH METHODOLOGY

same thing or underlying dimension. These underlying dimensions are known as factors. Thus, one is able to reduce the measured variables to a smaller set of factors that explains the maximum amount of common variance in a correlation matrix using the smallest number of explanatory constructs (Green, Lissitz & Mulaik, 1977).

There are numerous techniques and terms associated with factor analysis, such as principal component analysis (PCA), principal factor analysis (PFA), and rotation of data techniques, such as varimax rotation. The Kaiser-Meyer-Olkin (KMO) value, which is an index that compares the sizes of the observed correlation coefficients to the sizes of the partial correlation coefficients (Norusis, 2009), was used in the present study. In short, if the KMO ratio is close to 1, it means that all the partial correlation coefficients are small, compared to the ordinary correlation coefficients. This is what one hopes to obtain, because it indicates that these variables are linearly related (Norusis, 2010). Large KMO values (normally 0.6 or larger) are what one is looking for, accompanied by a Bartlett's sphericity value that is significant ( $p < 0.05$ ). Bartlett's (1950) test measures whether the variance-covariance matrix is proportional to an identity matrix. Thus, it effectively tests whether the diagonal elements of the variance-covariance matrix are equal (group variances are the same), and that the off-diagonal elements are approximately zero (independent variables are not correlated) (Field, 2009). If the result of Bartlett's test (1950) is significant, it means that the correlation between variables is (overall) significantly different from zero. Hence, a  $p$ -value  $< 0.05$  is desirable for the plausibility of a factor analytic procedure (Field, 2009).

The factors that form the first iteration of the software are called *unrotated factor loadings* (Kline, 2014). Unrotated factor loadings are not as enlightening, as, most of the time, they will have cross-loadings of variables. Hence, to find some pattern in which one factor heavily loads (has a high correlation coefficient) on some variables and the other factor on others, the variables must be rotated (Kline, 2014). Rotation can be carried out by either orthogonal or oblique methods (Comrey, 1978). Finally, the interpretation of factor loadings is largely subjective. There is no way to calculate the meanings of factors; they are what one sees in them (Cooper & Schindler, 1998).

### 3.4.7. Generalisability

To determine the degree to which the results of a study can be extrapolated to other circumstances, so that it can be applied beyond the sample to the larger population, a researcher has to test the generalisability of the results (Lee, 1999).

To test the generalisability of the results of the research to a wider population, the researcher used inferential statistics. Instead of using the entire population to gather the data, the researcher used a representative sample to make inferences about the defined population (Lee, 1999).

### 3.4.8. Validity and reliability

The questionnaire was developed through a detailed literature review. The researcher used the reward categories of the WorldatWork (2015) Total Rewards Model, as it provided most of the descriptions of the concepts that were relevant to this study. Cronbach's alpha tests for reliability and consistency were used to test the reliability of the questionnaire (discussed in Chapter 4). Valid and reliable findings and interpretation thereof were supported by statistical analysis, discussed in detail in the next chapters.

Further to the above supporting the validity and reliability, the data from the representative sample were obtained in an ethical manner, in compliance with the institution and organisational standards, and were adequate to support practical significance of the study.

## 3.5. Phase II: Qualitative research

The next section describes the research methodology for Phase II of the research. This includes describing the measuring instrument and pilot study conducted, the sampling methods, methods of data collection, statistical analyses, credibility, replicability, transferability, dependability, and validity.

Qualitative research has its own set of requirements for quality, including credibility, replicability, transferability, dependability, and validity. **Credibility** is the alternative to validity. In this regard, the Cronbach alphas are presented in Chapter 4. This chapter also describes the interview process, demonstrating the robustness of the process by

## RESEARCH METHODOLOGY

describing the research setting, population, and sample, aiding the replicability of the study and showing the integrity of the process, approach, and methodology.

The study is described in detail, to ensure its **replicability**, enabling other researchers to duplicate the study (Welman, Kruger & Mitchell, 2005). The sample selection described in Chapter 3 could be replicated in similar settings or countries.

The study further meets the criteria of **transferability**, referring to whether the research can be transferred from one situation to another (De Vos, Strydom, Fouche & Delport, 2005). The transferability of the study is sound, and the research can be replicated using other classes of employees, in and outside of the country. The questionnaire's reliability and consistency results were high, which formed the basis for the guide for the semi-structured interviews.

**Dependability** was a concern, because of the ontological assumption underpinning the present study's methodology — that reality or the world is socially constructed, and perceptions can vary greatly. However, the research process was comprehensively documented, and is logical and auditable. The changes in the research designed were also documented as it was refined over time (Bussin, 2014).

Internal **validity** was confirmed by comparing participants' experiences and perceptions. Probing and follow-up questions were asked when findings were discussed with the participants, to confirm that the researcher's understanding of the participants' experiences was a true reflection of their perspective. This mixed-method approach was a key factor in ensuring the quality and soundness of the study. A mixed-method approach is a strategy whereby more than one research method is used to investigate the same topic (Collis & Hussey, 2009).

### 3.5.1. Sampling methods

In qualitative research, the question of representation is inferior to obtaining detailed information about facts and feeling from the persons participating in the study (Bryman & Bell, 2015). The sampling process is important in qualitative research, as the informants should be best suited to providing information that will answer the research questions (O'Leary, 2004). Since such assets are often managed by a manager and rewarded by the HR department, the researcher interviewed HRGs and specialists in

## RESEARCH METHODOLOGY

recruitment, remuneration, and OD. To gain diverse perspectives on the organisations' benefits, the researcher also interviewed employees of the organisations. The researcher, in addition, interviewed other employed youths.

To find suitable interviewees, the researcher selected interviewees from the organisations from both the public and private sectors, as well as tertiary institutions. The researcher used purposive sampling to ensure that the right decisions were made about which interviewees were best suited to the study and could provide the desired information (De Vaus & de Vaus, 2001; Burns & Grove, 1993).

### **3.5.2. Measuring instrument and pilot study**

The researcher conducted semi-structured interviews — a combination of structured and unstructured interviews (O'Leary, 2004). Considering the purpose of the research, unstructured interviews would not have been of great use, and semi-structured interviews were best suited to the purpose of the present study. Semi-structured interviews allowed the researcher to set a framework for the interviews, while still allowing the interviewees' opinions to guide the conversation.

According to Taylor and Francis (2013), qualitative interviews attempt to make meanings from individual accounts and experiences. The intent of the interviews was to make meaning of the findings established in Phase I of the present research.

According to McNamara (2009: 8), the strength of a general interview guide approach is giving the researcher the ability "to ensure that the same general areas of information are collected from each interviewee; this provides more focus than the conversational approach, but still allows a degree of freedom and adaptability in getting information from the interviewee." The development of the interview guide in the present study was informed by the categories and elements determined through Phase I.

Standardised, open-ended, semi-structured interview questions were formulated, as no relevant interview guide existed. The researcher developed the interview guide by referring to literature on how to develop a suitable semi-structured interview questionnaire (McNamara, 2009). The researcher created the initial draft of the interview guide, and sent this to her supervisor for review and input. Upon completion

## RESEARCH METHODOLOGY

of the supervisor's review, the concern raised was that the interviews needed to be limited to 30 minutes, implying a limit to the number of questions that could be asked. It was then decided to group questions where possible, without compromising the goal of the interviews.

Following this supervisory input, the researcher made the required updates to the guide and proceeded to conduct a pilot interview. Upon completion of the pilot interview, the approximate time it took to complete the interview was confirmed, as well as changes required to the structure of some of the questions, which the researcher corrected.

Following the pilot interview, the researcher refined and finalised the interview guide, and began scheduling the interviews. The final version of the semi-structured interview guide was prepared in English (Appendix B).

### **3.5.3. Scheduling the interviews**

The researcher sent an initial e-mail to participants, who were selected through a process of purposive, convenience, quota and snowball sampling. In the e-mail correspondence, the researcher provided an overview of the research, the objectives of the interview, and indicated the time required and the cut-off date for responses.

Four participants responded, and the researcher contacted them to schedule suitable times and venues for the interviews.

The researcher followed up with those who had not responded, and extended a second invitation; a further two participants confirmed their availability.

During the initial interviews, two interviewees referred colleagues who they felt would be able to contribute to the research. The researcher contacted the referees and scheduled interviews.

The researcher also employed other methods to solicit interviewees. These were cold calling and inviting professionals to participate. This resulted in a further five interviewees taking part in the study. The researcher was hoping for a sample of ten

## RESEARCH METHODOLOGY

participants, and managed to draw a sample of 11, two of whom had to be interviewed telephonically.

### **3.5.4. Data collection**

Data were gathered by means of nine face-to-face interviews and two telephonic interviews, which each took between 20 to 60 minutes to conclude, depending on the depth of the responses provided by the interviewees and opportunities the conversation presented for further probing questions.

The HRGs and specialists were selected for the interviews, as they possessed an enhanced understanding of the current issues and experiences in recruiting employees, and had an understanding of total rewards models.

This method of data collection provided the interviewees with an opportunity to contribute their real views in as much detail as they desired, which provided the researcher with valuable information about the participants' attitudes and opinions, particularly how they explain and contextualise issues. This approach also allowed the interviewer to adjust questions and change direction as the interview took place (Langley, 1999).

The disadvantage of conducting research interviews is that they are time-consuming, particularly when the interviews are recorded and fully transcribed. Therefore, in the present study, the sample size was small and unlikely to be representative of the population (Langley, 1999). The researcher, however, endeavoured to include as many ethnic and gender groups as possible, in order to collect diverse views.

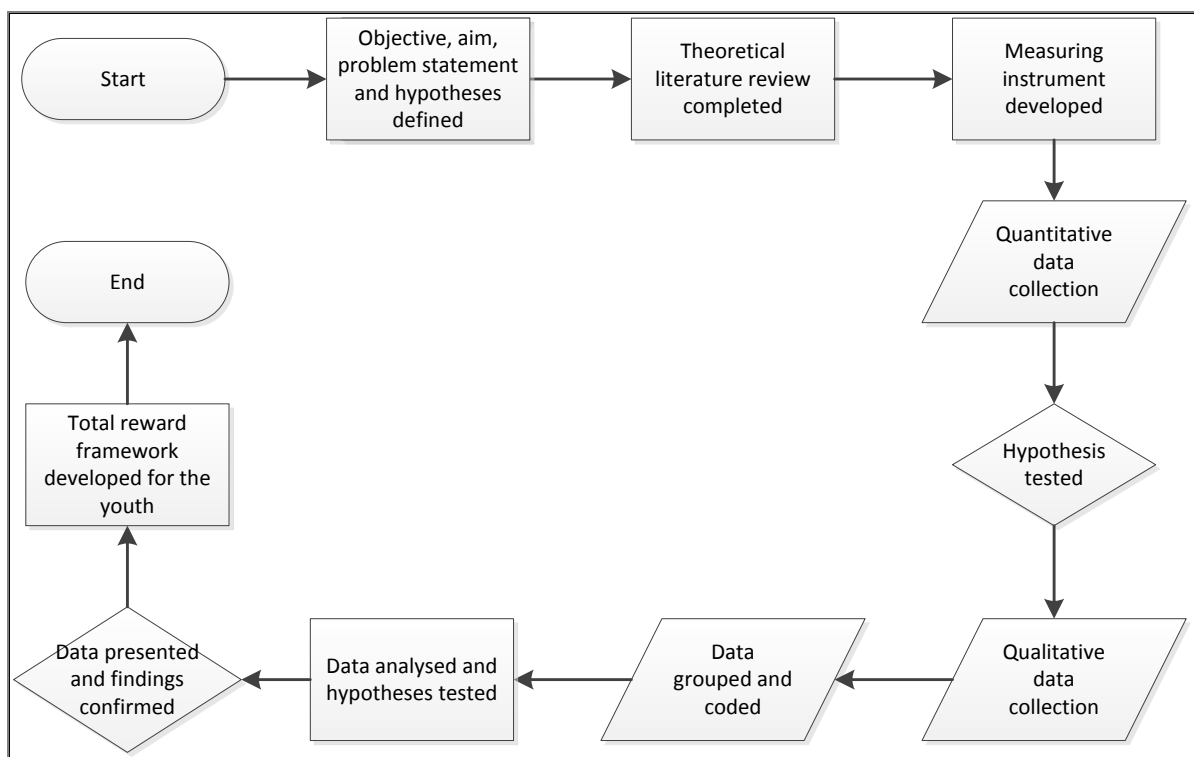
### **3.5.5. Data analysis**

An inductive approach was applied to the semi-structured interviews, based on the existing literature and rewards frameworks, which provided the foundation for collecting and analysing the data. During the interviews, the researcher utilised the interview guide as a framework to guide the discussions, whilst simultaneously probing for additional meaning. Once the interviews had been completed and transcribed, the researcher again utilised this structure to categorise and code the data (Burnard, Stewart, Treasure & Chadwick, 2008).

## RESEARCH METHODOLOGY

Working through the data's central themes, deeper meanings were sought, to understand the experiences of the interviewees and their world view. Thereafter, the researcher began testing the outcomes related to the hypotheses, with reference to Phase I of the research (Lee, 1999). The deductive approach is concerned with testing the hypotheses based on existing theory, and then designing a research strategy to test the hypotheses (Wilson, 2010).

Figure 16 provides an overview of the approach followed by the researcher in testing the hypotheses.



**Figure 16:** Deductive and inductive approach applied

Following a deductive approach, the researcher applied the following stages.

### 3.5.5.1. Stage 1: Interview guide developed

The researcher developed the interview guide based on the set of themes derived from the questionnaire utilised in Phase I of the research and the literature review. The questions were then aligned with the hypotheses being tested, the research objectives, and the outcomes of the quantitative research.



### **3.5.5.2. Stage 2: Interviews conducted, transcribed and grouped**

Once the interviews were conducted, they were transcribed verbatim. During Stage 2 of the process, the interviewees were grouped into two groups: (1) youths and (2) HRGs, and recruitment, remuneration, and OD specialists (collectively referred to as *HR practitioners* in the discussion of the findings).

### **3.5.5.3. Stage 3: Coding**

The data were then coded, and sentences and paragraphs grouped together by group. The sentences and paragraphs were labelled by allocating and labeling the data. Codes were then grouped together, to create categories. The categories were then connected to the main results of the questionnaire for each of the areas explored.

During Stage 3, coding was completed, which is the process of organising and sorting the data from the interview process (Gibbs, 2008). Codes serve as a way to label, compile, and organise data, allowing the researcher to summarise and synthesize the data. It is generally understood that coding is analysis. Coding is the grouping of knowledge about the world of the participants in the study (Gibbs, 2008).

#### **3.5.5.3.1. Pre-set codes**

Initially, codes were created based on the categories identified from the questionnaire: *Remuneration, Benefits, Reward recognition, Career development, Work-life, Safety/Security, and Social support*. On reviewing the responses, new codes emerged.

#### **3.5.5.3.2. Emergent codes**

Pre-set codes were created in alignment with the interview guide, which were linked to the questionnaire used in the qualitative phase of the research. Further codes emerged as the researcher started reviewing and coding the data from the transcripts, which were different from the pre-set codes, but were relevant to the subject. QDA miner, a qualitative analysis software program, was then used to assist with the coding process, which further assisted with retrieval of sections of data and determining frequencies of codes.

### **3.5.5.3.3. Codes refined**

During this process, codes were refined, added, expanded, combined, and removed, while the researcher sought connections between codes (Gibbs, 2008; Saldana, 2009).

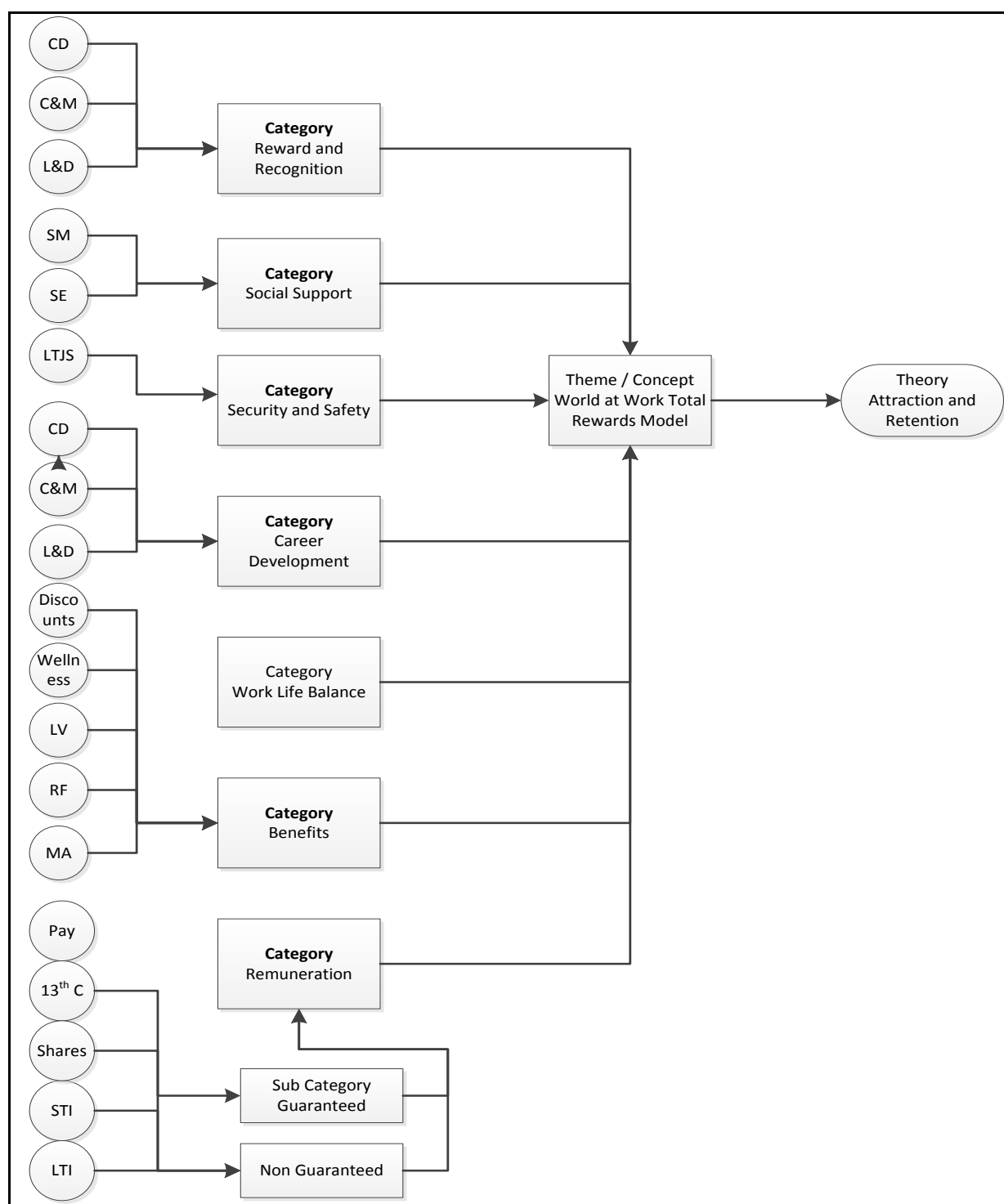
### **3.5.5.4. Stage 4: Themes**

Once the coding had been completed, the individual quotations that were initially brought together by the grouping of the interviews according to the themes and interview categories were checked and reconfirmed. Themes were then examined, and ideas within the themes were sought.

### **3.5.5.5. Stage 5: Narrative**

The researcher then began the process of constructing summaries of the responses and constructing the narrative (detailed in Chapter 5). Quotes from the interviews were then gathered, to support the statements made by the researcher in describing the findings (detailed in Appendix C).

According to Merriam (1998), the analysis and interpretation of the study's findings reflect the constructs, concepts, language, models, and theories that formed the structure of the study in the first place; therefore, the analysis procedure of the present study was a thematic analysis. Figure 17 shows the streamlined codes for qualitative theory (Saldana, 2009).



**Figure 17:** Streamlined codes for qualitative theory

**Source:** Adapted from Saldana (2009)

The next section presents the modes for analysing data that the researcher applied: meaning condensation and categorisation (Lee, 1999).

### **3.5.5.5.1. Meaning condensation**

Meaning condensation involved the reduction of data whilst simultaneously articulating the data's most important themes (Lee, 1999). The researcher began the process by reading the interview transcripts to get a sense of the entire data set, and then analysed each interview individually, and thereafter grouped the data.

The categories were then defined based on the categorisation approach, and the researcher arranged and read the responses in each of the categories, to understand the themes and responses in each. The researcher then made a decision on these "units' naturalness, holism and relevance" to the identified category (Lee, 1999: 90).

### **3.5.5.5.2. Meaning categorisation**

Meaning categorisation involved the researcher reducing the data to the most important themes/categories, and then codes. The categories were binary (they either occurred or did not occur), as well as ordinal, where the researcher noted it as very important or not important to the participants, and assigned a percentage value to the responses. The outcome of the categorisation was analysed qualitatively (Lee, 1999).

The researcher began this process of meaning categorisation by determining the organising structure, which determined the basis for categorisation judgements and defining the phenomena and variables of interest, based on existing theory.

The researcher then defined what was to be explored within each of the categories by code. The researcher then attempted, where possible, to rate each of the codes by interviewee, based on their responses, and then analysed these scores qualitatively, using statistical analyses.

The collected data were processed by means of statistical and text analysis, and interpreted across two databases (Creswell, 2012), namely QDA Miner4 and Microsoft Office. QDA Miner is a qualitative data analysis software package for coding, annotating, retrieving, and analysing collections of documents, which, in this case, were the transcripts, divided by groups of interviewees. This data analysis tool was further used to analyse the interview transcripts, and provided flexibility in analysing and mining text (Provalis Research, 2014).

## RESEARCH METHODOLOGY

The coded data and identified themes, together with interview transcripts, were analysed using this statistical program. Codes were used in the process of categorising the qualitative data and describing the details and implications of these categories. Quotes were considered, where apt, to demonstrate, inform, and support findings. This approach enabled the researcher to interpret the meanings of the explored phenomena (Theron, 2014). The findings are presented, in Chapter 5 and substantiated by quotes verbatim from the interviews, in Appendix C.

### **3.5.6. Transferability of the data**

The next paragraphs describe the interview approach the researcher applied for all the face-to-face and telephonic interviews conducted. Before commencement of each interview, the researcher ensured that the recorder was working and fully charged, to ensure that the interviews were recorded in full. The interviewer initiated the discussions by welcoming the interviewees and thanking them for their time. The interviewer then proceeded to provide an overview of the research and what the researcher was hoping to achieve through the interview. The researcher provided an overview of the topic and questions, as well as the nature of expected responses, so that interviewees would limit their responses to their personal experiences, and not include literature or third-party accounts they may have read or heard. The researcher then obtained the interviewees' consent to continue and permission to audio-record the interviews.

The interview questions began with introductory questions, to elicit personal responses from the interviewees, setting the scene and tone for the conversation, whilst simultaneously providing the researcher with an overview of the interviewees, their area of responsibility, and the contribution they would make to the research. The researcher thereafter asked the main questions.

The researcher was very engaging, without providing any input into the responses, and nodded and probed with follow-up and probing questions where themes emerged. The researcher encouraged discussion when the researcher felt the conversation was fruitful.

## RESEARCH METHODOLOGY

The questions in the interview guide were predetermined, in order to guide the discussion and to ensure consistency in the areas being evaluated, but included open-ended questions that gave the participants the freedom to respond with new themes.

The interview structure and conditions were relaxed, and the conversations flowed from category to category while the structured questions were used. The researcher, at times, referred to the interview guide, maintaining a conversational tone and guiding the conversation, whilst allowing the interviewees to steer their responses, based on their experience.

The researcher did not interrupt interviewees, and allowed them the opportunity to express their views. There were no right or wrong answers, since the researcher was interested in their views, perceptions, and understanding of the youths' acceptance of the rewards they were being offered at their current and previous employers (where applicable). Where asked to clarify and confirm questions, the researcher complied.

The conversations were rich, spontaneous, and specific. The responses were relevant to the questions asked. The interviewer's questions were short, and the interviewees' responses were long. The interviewer, where required, asked follow-up questions and the interviewees corroborated their opinions during the course of the interviews (Lee, 1999).

### **3.5.7. Credibility of the data**

The interviews were audio-recorded, and the telephonic interviews were recorded in notes. The narrative data were manually recorded by the interviewer and transcribed immediately following each interview, ensuring that the responses were correctly captured, providing an accurate portrayal of the responses.

During the face-to-face interviews, field notes were taken. The audio recording was transcribed using the transcription software (<https://transcribe.wreally.com>). Transcribe is an online transcription program that offers an audio player that is integrated with a text editor on the same screen. It allows typing from tapes without changing between software in the transcription from audio to tape, capturing an exact record of the spoken conversation.

## RESEARCH METHODOLOGY

The credibility of the data was high, for the following reasons. The interviews were audio-recorded, except for the telephonic interviews. 81% of the interviews were fully transcribed, verbatim using transcription software (<https://transcribe.wreally.com>). The two telephonic interviews were transcribed from handwritten notes immediately following the telephonic interviews. The data, interpretations, and conclusions were shared with the participants which allowed participants to provide additional information and inputs if necessary. Table 21 presents a summary of the research methodology described above in qualitative and quantitative terms.

**Table 21:** Research execution summary

Qualitative term	Quantitative term	Technique/Tool	Description of execution
Credibility	Internal validity	Mixed method	<ul style="list-style-type: none"><li>• Comparing answers of youths, HRGs, and specialists</li><li>• Member checking</li></ul>
Transferability	Generalisability (external validity)	Cross-case pattern matching	Using the same code between cases
Dependability	Reliability	Case study protocol QDA Miner4	<ul style="list-style-type: none"><li>• Execution for each case similar</li><li>• Analysis for each case similar</li></ul>
Confirmability	Objectivity	Researcher narrative QDA Miner4 grouping and coding	<ul style="list-style-type: none"><li>• Verbatim transcription of conversations from tape to text</li><li>• Coding all transcripts in the same manner</li><li>• Managing researcher's subjectivity</li></ul>

**Source:** Lee, (1999), Provalis Research (2014), Theron (2014) and Creswell (2012),

### 3.6. Ethical considerations

The researcher applied for research ethical clearance, which was granted by the University of South Africa (UNISA) School of Business Leadership (SBL). To obtain ethical clearance, the researcher required approval from the institutions where the research was to be conducted. Approval was received from the three professional associations, following which UNISA granted the ethical clearance to conduct the

## RESEARCH METHODOLOGY

research. Upon confirmation of the ethical clearance, a publicly funded institution gave the researcher permission to conduct the research, followed, some months later, by a parastatal.

During the course of the research, the researcher gained permission from senior lecturers and professors to distribute the survey questionnaires to graduate and post-graduate students. This sample of students might have negatively influenced the findings of this study and, subsequently, its credibility, due to it being a homogeneous sample that lacked a wide range of perspectives. Homogeneous samples tend to impact negatively on the external validity of a study, as the researcher may not be able to generalise the study findings (Nordstokke & Zumbo, 2010).

Participation in the study was voluntary, and consent to participate was obtained from each participant. Participants were made aware of the purpose of the study, and were assured that the information they shared would be kept confidential and that their anonymity was guaranteed. The researcher undertook to keep all data collected for purposes of the study confidential, and to make the results available to all participants who so chose. The participants remained anonymous in statistical analysis and in reporting on the interviews. The researcher upheld the ethical considerations related to gaining access to data through interviews.

Institution and organisational ethical considerations were complied with, to ensure that the required standards were maintained to ensure the reliability, validity, transferability, and credibility of the research.

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### **3.7. Conclusion**

This chapter summarised the research methodology, describing the quantitative and qualitative approach the researcher followed in answering the research question. Hereafter, Chapters 4 and 5 present the analysis and findings from the quantitative and qualitative phases of the study.

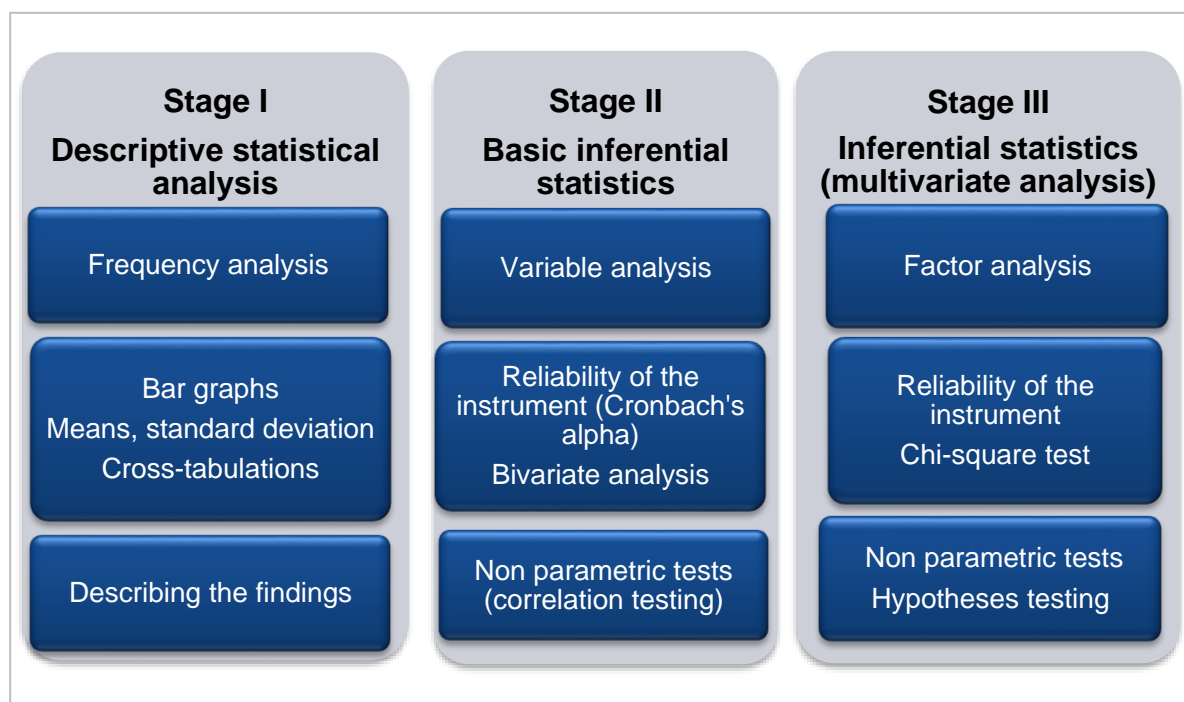


**CHAPTER 4****RESULTS: QUANTITATIVE RESEARCH****4.1. Introduction**

Chapter 3 provided insights into the research methodology that the researcher followed to collect and collate the data in the quantitative phase of the research. This chapter details the findings from Phase I of the sequential mixed-method research approach.

The chapter begins with the results of the reliability test. Thereafter, the results for the categories and elements of the WorldatWork Total Rewards Model amongst other literature are presented according to birth-year group, followed by frequency analyses. The demographic and factor analysis findings are discussed, providing an overview of the findings of the bivariate and multivariate analysis. The overall research results and findings are related to the hypotheses, where after the chapter is concluded. This chapter is divided into two parts, part I and part II. In Part I, the results of the descriptive analysis are presented, and, in Part II, the results of the inferential analysis are presented.

The data analysis described in Figure 18 was divided into three stages. Stage I comprises descriptive analysis; frequency distribution, standard deviations, means, graphs, and charts were used to describe and present the data. Stages II and III are included in Part II (inferential analysis). Stage II comprised basic inferential analysis, which was used to draw inferences about the data, and variable analysis. In this phase, the Cronbach's alpha test was performed to test the reliability of the instrument. Stage III comprised multivariate statistical analyses, including chi-square tests and Kruskal-Wallis tests (a non-parametric test) and factor analysis. Figure 18 presents a summary of the overall approach followed in this phase of the research.



**Figure 18:** The statistical analyses framework

Part I comprises the descriptive analysis of Sections 4.2 and 4.3, in which the results of basic descriptive analysis are presented. Part II consists of three sections, that is, Section 4.4., a demographic analysis, in which associations between demographic characteristics and reward preferences (options) are investigated (4.5), a section in which the study hypotheses listed in Chapter 1 (about associations between reward preferences and generation) are tested (4.6), a section reporting on the factor analysis, and a section reporting on the reliability testing (4.7).

## PART I DESCRIPTIVE ANALYSIS

### 4.2. Demographic profile

Descriptive analysis involves calculating the measures of central tendency (i.e. mean with standard deviation, median and mode), frequency or percentage distribution and graphic representation of data (which includes charts, bar diagrams, histograms, and graphs). This part consists of two sections. Section A presents the demographic profile of respondents while Section B presents total rewards options.

The sections hereafter present the results and findings according to the statistical analysis framework above.

## RESULTS: QUANTITATIVE RESEARCH

### 4.2.1. Demographic profile of respondents

The questionnaire was divided into two primary sections, namely *Section A: Demographic information* and *Section B: Total rewards options*. The results are discussed in the same format below.

**Section A** of the questionnaire collected data on respondents' demographic profile, including birth year, gender, race, years' work experience, relationship status, educational qualifications, field of study, employment status, employment sector, and living arrangements. The demographic data provided the researcher with a profile of the respondents, and enabled the comparison of data on youths to those of the other groups.

A total of 276 responses were received and included in the analyses. This number of responses provided the researcher with the breadth of data associated with a large, statistically representative sample. The valid responses rate per age group ranged from 25 (9.65%) responses from respondents born 1946–1964, 86 (33.2%) responses from respondents born 1965–1980, and the remaining 148 (57.14%) responses from respondents born 1981–2000.

Section A further provided the researcher with an opportunity to analyse the data to determine if life stage had an impact on their preferences, which may necessitate organisations to consider reward elements differently, presenting an opportunity for future research.

#### 4.2.1.1. Year of birth by group

Of the 276 respondents who participated in the study, 259 responded to this question, representing 93.8% of the total sample. The highest frequency of responses was from respondents born 1981–2000 (57.14%); the second-highest response rate was from respondents born 1965–1980 (33.2%), and the lowest was from respondents born 1946–1964 (9.65%). Figure 19 shows the frequency of the age groups within which the respondents fell.

## RESULTS: QUANTITATIVE RESEARCH



**Figure 19:** Age groups

The researcher was satisfied that there was a high concentration of youth respondents (born 1981–2000), compared to those born 1980–1965 and 1946–1964. The two latter groups combined accounted for 42.85% of the total sample. This represented the profile of the current age demographics in the work environment, with the youth being the next-largest generation in the workforce, followed by those who will soon retire (Borngräber-Berthelsen, 2008).

### **4.2.1.2. Gender**

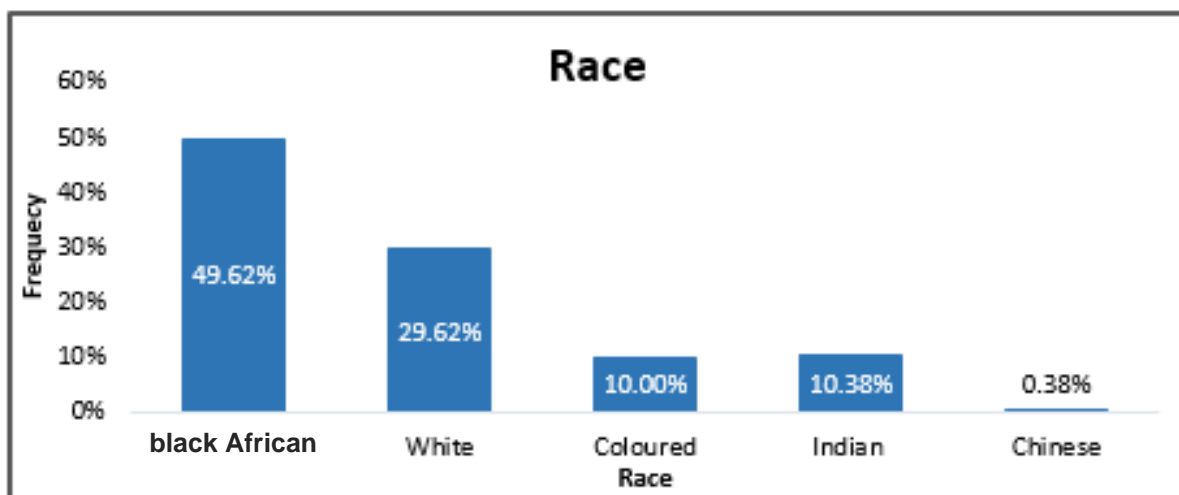
In this study, 44% of the respondents were men, and 56% were women. When compared to data from South Africa Central Statistics (2013) (48.2% men and 51.7% women), this was a fair representation of the population of South Africa. Of the respondents, 56% were born 1981–2000; of these, 50.7% were women and 49.3% were men.

## RESULTS: QUANTITATIVE RESEARCH

### 4.2.1.3. Race

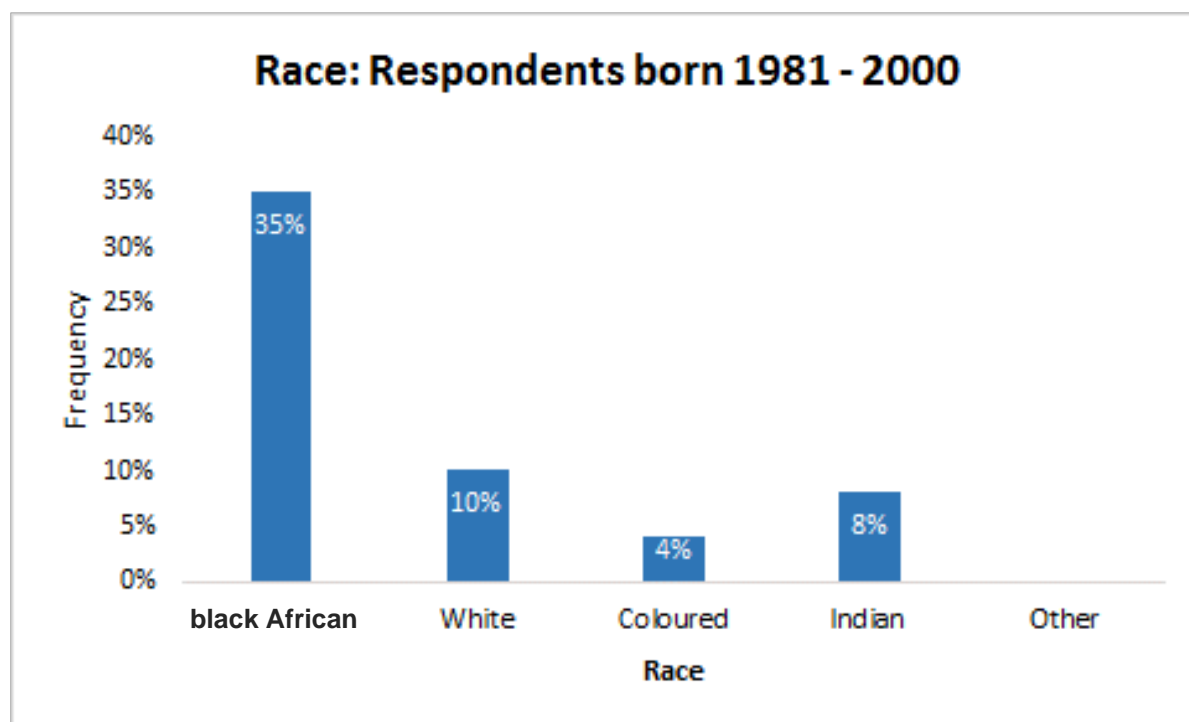
Of the 276 respondents, 260 responded to this question, representing 94.2% of the total sample. Of the respondents, 49.62% were black African, 29.62% were white, 10% were Coloured, 10.38% were Indian, and 0.38% were Chinese. Based on the definition of South Africa race groups in terms of the B-BBEE Act (2003) Chinese has been classified as Coloured in the final analysis. Overall, all race groups were represented. Figure 20 shows the race distribution of the sample.

According to the 2011 census, the figures for the racial groups in South Africa are: black African — 76.4%, white — 9.1%, Coloured — 8.9%, Indian — 2.5%, and 0.5% is unspecified.



**Figure 20:** Race representation

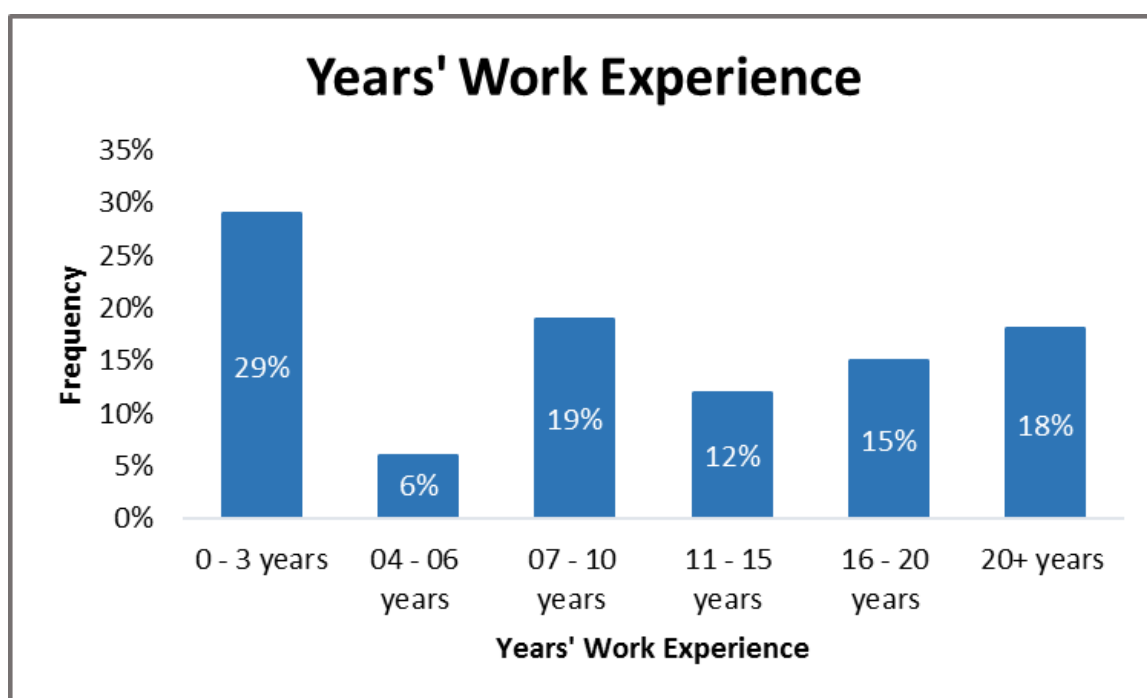
Of the 276 respondents, 57% representing the youth sample born 1981–2000. Of the 57% of respondents, black African — 35%, White — 10%, Coloured — 4% and Indian — 8%. Overall, all race groups were represented. Figure 21 shows the race distribution of the youth sample.



**Figure 21:** Respondents born 1981–2000 by race

#### 4.2.1.4. Work experience

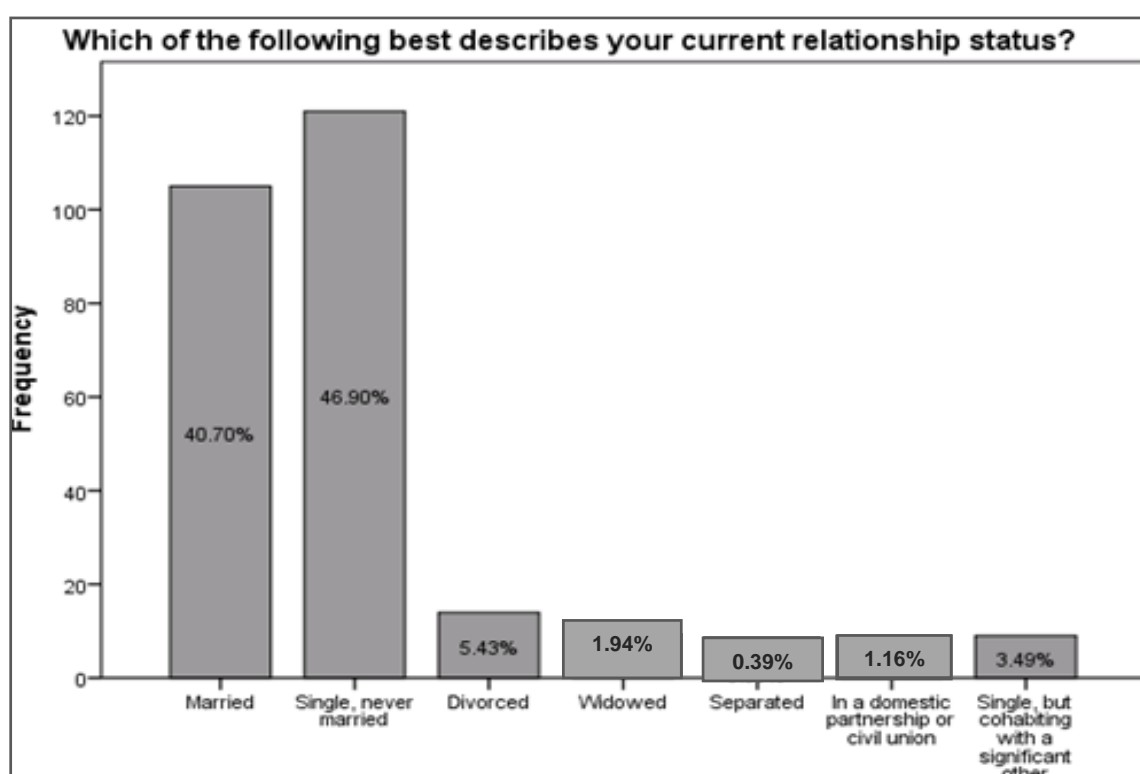
Respondents' work experience ranged from 0 to 45 years. A total of 257 respondents answered this question. The highest frequency of responses was from respondents with 0–3 years' work experience (29%), of whom 94% were born 1981–2000. 04 – 06 years' work experience (6%), 07 – 10 years' work experience – 19%, 11 – 15 years' experience (15%) and 20+ years' work experience, 18%. Figure 22, presents a summary of years' work experience of the respondents.



**Figure 22:** Years Work experience

#### 4.2.1.5. Relationship status

Of the respondents, 46.9% were single or had never been married, and 40.7% were married. Combined, the categories *Divorced* and *Widowed* represented 7.37% of the respondents. The greatest number of respondents were single or never married. Figure 23 shows the distribution of the respondents' relationship status.

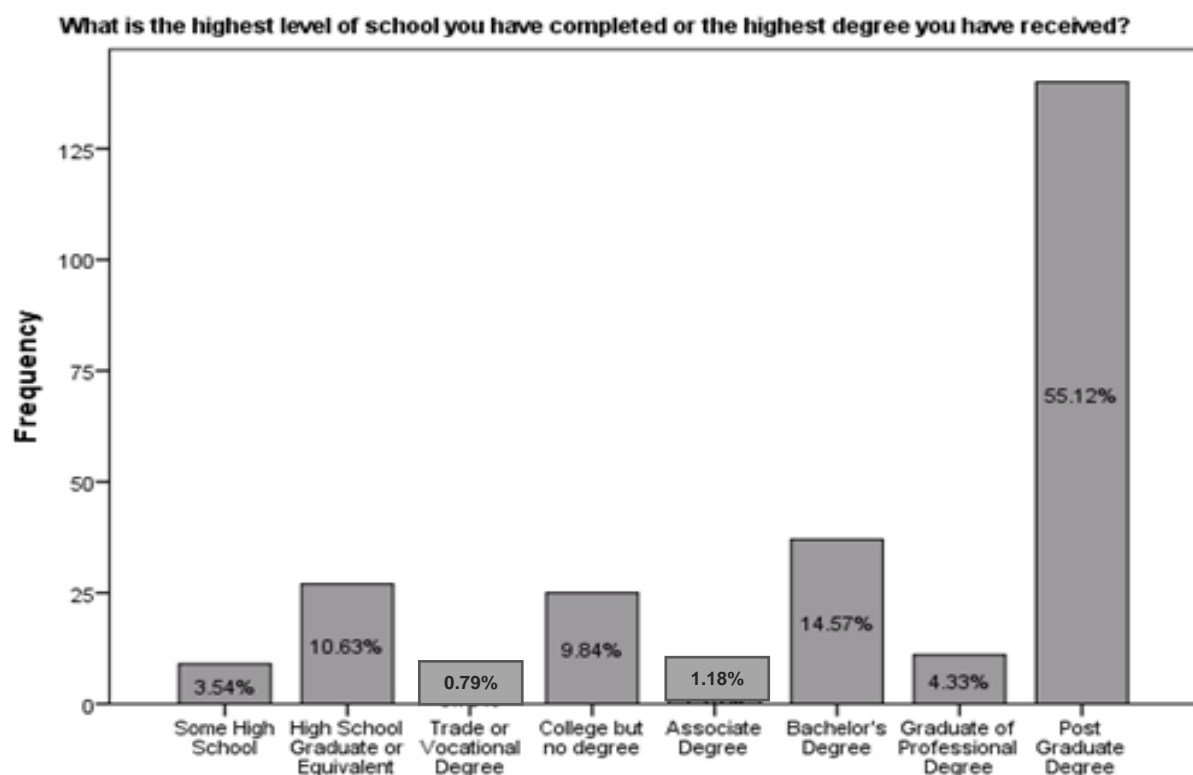


## RESULTS: QUANTITATIVE RESEARCH

The highest frequency of responses was from respondents born 1981–2000 (56%); the second-highest response rate was from respondents born 1965–1980 (33%), and the lowest was from respondents born 1946–1964 (9%). Of respondents born 1981–2000, 67%, were single or had never been married.

### 4.2.1.6. Education

Of the respondents, 55.12% indicated having a postgraduate degree, 20.08% had an undergraduate degree, and 0.79% were qualified in a trade or had a vocational degree, 9.84% had a college diploma, and 14.7% indicated that they had some high school education or were high school graduates or an equivalent. The researcher included this data in the analysis, and attributed these responses to undergraduate students in the process of completing their qualification. The results, in the researcher's view, constituted a good representation, aligned with the focus and purpose of the present research to identify what intrinsic and extrinsic rewards are important to skilled and qualified youth employees. Figure 24 shows the distribution of respondents' level of education.



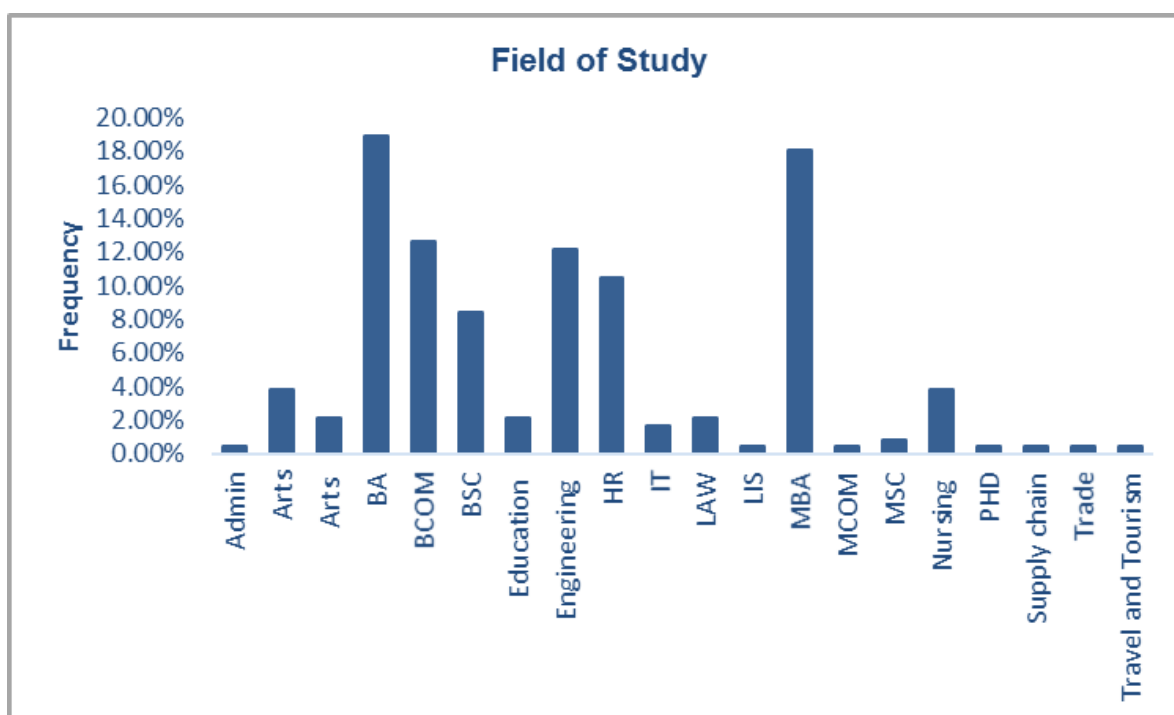
**Figure 24:** Education



## RESULTS: QUANTITATIVE RESEARCH

### 4.2.1.7. Field of study

The 239 responses represented 20 fields of study, illustrating a breadth of views. The highest number of respondents indicated that they held a Bachelor of Arts (BA) degree (18.91%), followed by those who held a Master of Business Administration (MBA) degree (18.07%), and a Bachelor of Commerce (BCom) degree (12.61%). Figure 25 shows the distribution of the fields of study.



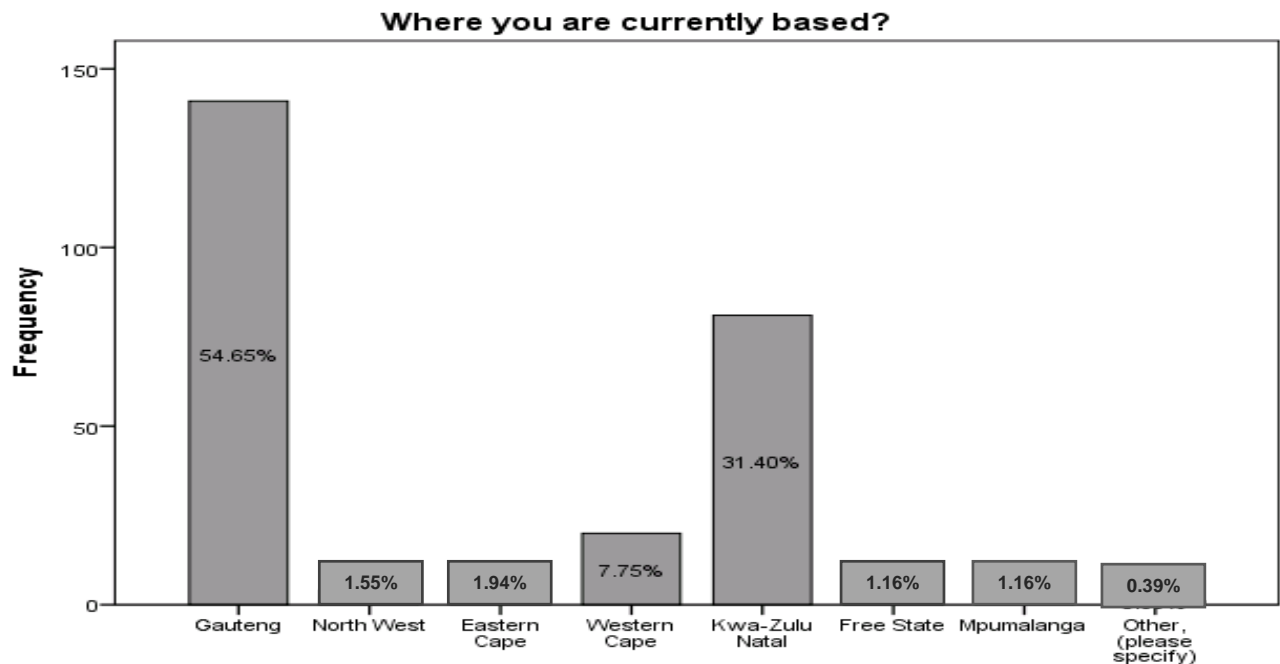
**Figure 25:** Field of study

### 4.2.1.8. Province

The majority of respondents were from the two most densely populated provinces in South Africa — Gauteng and KwaZulu-Natal, and, combined, represented 86.05% of the sample. With the exception of the Northern Cape and Limpopo, all other provinces were represented in the sample. Other responses included Swaziland and Ivory Coast. The results, in the researcher's view, constituted a good representation, aligned with South Africa Central Statistics (2013) provincial population statistics. Figure 26 shows the distribution of the respondents' province of residence.

Of the respondents, 56% were born 1981–2000. The largest numbers were from Gauteng (28%) and KwaZulu-Natal (25%), representing 90% of the youth sample.

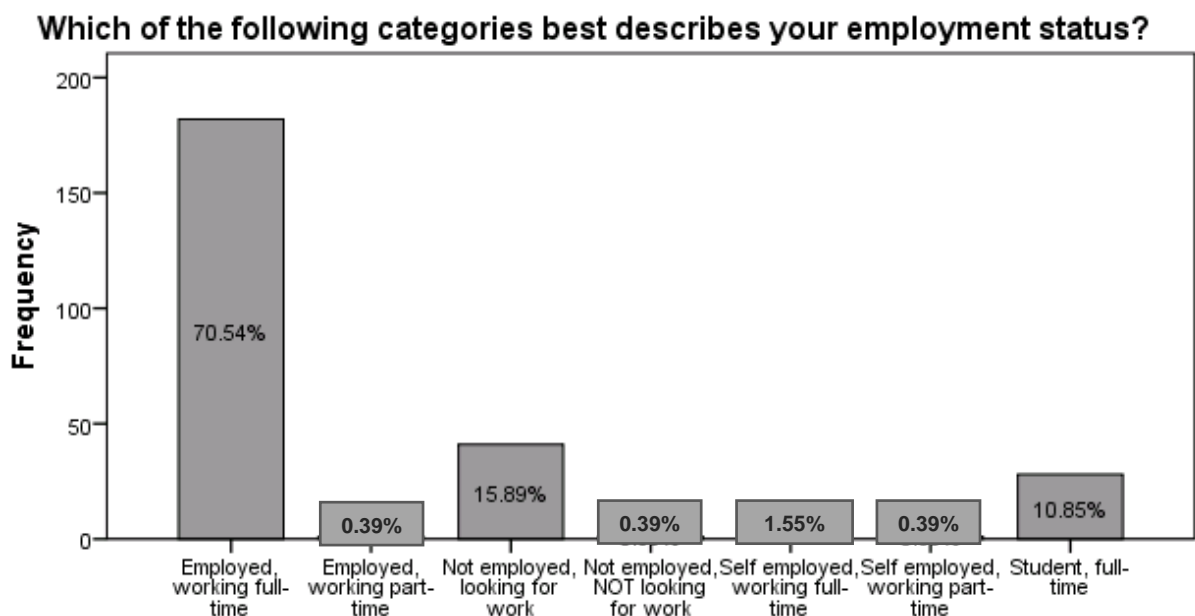
## RESULTS: QUANTITATIVE RESEARCH



**Figure 26: Province**

### 4.2.1.9. Employment status

Of the respondents, 70.54% were in full-time employment, which significantly increased the validity of the results. Full-time students as future employees represented 10.85% of the sample. Figure 27 shows the distribution of the respondents' employment status.



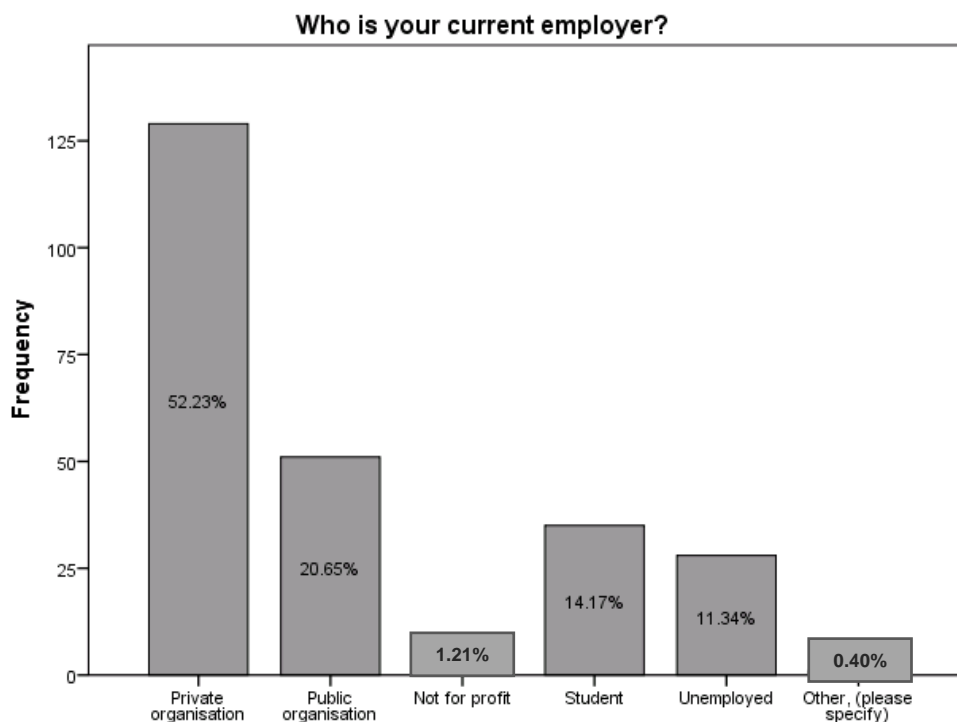
## RESULTS: QUANTITATIVE RESEARCH

**Figure 27:** Employment status

### 4.2.1.10. Employment sector

All employment sectors are represented in the study. The majority, 52.23%, of respondents were employed in the private sector, and 20.65% were employed in the public sector. The other categories were: not-for-profit organisations (1.21%), students (14.17%), unemployed (11.34%), and others (0.40%), which included entrepreneurs. Figure 28 shows the distribution of the respondents' employment sectors.

Of the respondents, 139 (55%) respondents born 1981–2000, 0.4% were employed in the non-profit sector, 10% of the 11.34% were unemployed, 10% were employed in the public sector, 12% were students, and 23% were employed in the private sector.



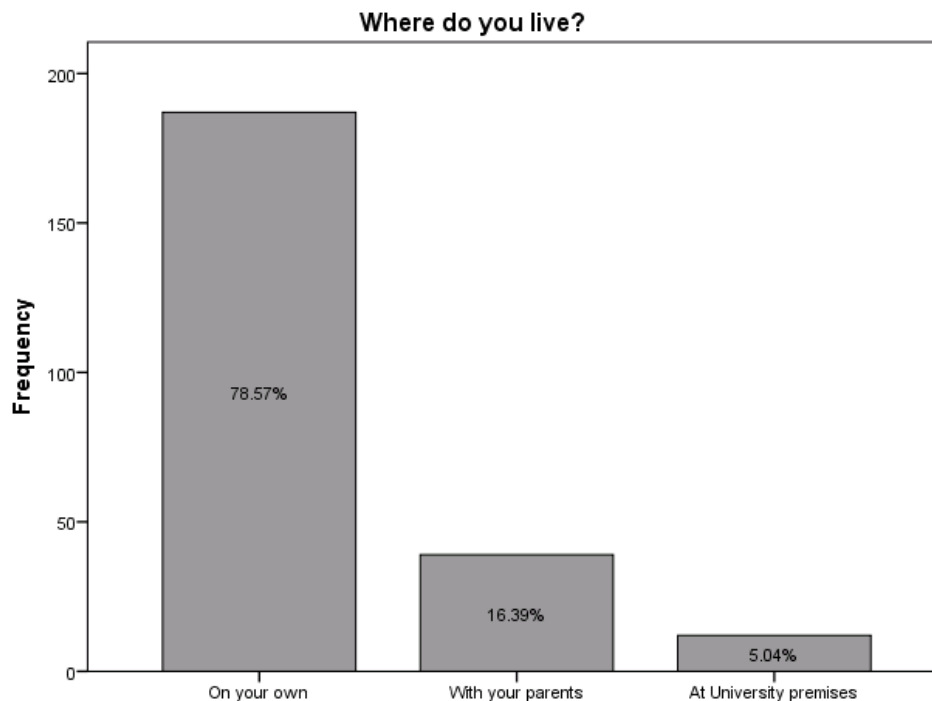
**Figure 28:** Employment sector

### 4.2.1.11. Living arrangements

The researcher included this option for respondents in order to determine if there were differences in their reward preferences according to their living arrangements: on their own, with their parents, or on university premises. Responses indicated that 78.57% were living on their own, 16.39% were living with their parents, and 5.04% were living on university premises. Due to the nominal size of the number of respondents who

## RESULTS: QUANTITATIVE RESEARCH

lived with their parents and those living on university premises, the researcher did not analyse whether there was a distinction between these groups in the variable analysis. Figure 29 shows the distribution of the respondents' living arrangements.



**Figure 29: Living arrangements**

The 11 demographic elements described above provided the researcher with an overview of the sample. These are further analysed in section 4.4. where the associations between demographic characteristics and the 30 reward elements are investigated. The next section describes the results obtained from Section B of the questionnaire. The results are discussed according to, first, *Attraction*, and then *Retention*.

### 4.3. Total rewards options

This section presents the results of Section B of the questionnaire, beginning with a description of the variables analysed, followed with the rank order responses and concluding with the reliability and consistency results for *Attraction* and *Retention*,

#### 4.3.1. Total reward findings for *Attraction*

In this section, the researcher tested the importance of the rewards elements for *Attraction*. The researcher, in the description of the results and analysis of the data, used a Likert scale ranging from (1) *Not important at all*, (2) *Somewhat important*, (3)

## RESULTS: QUANTITATIVE RESEARCH

*Neutral, (4) Important to (5) Very important.* Referring to Table 14 in Chapter 3, the research results of the frequency analysis for attraction are presented in Table 22, and analysed from Tables 23 to 29.

The results from Table 23 to Table 29 are described according to three condensed categories, namely:

1. **Positive response**, combining the responses *Very important* and *Important*;
2. **Negative response**, combining the responses *Somewhat important* and *Not important at all*; and
3. **Neutral response**.

The terms used in the discussion of the results from Table 23 to Table 29 are:

**Average** — the sum of the values per group, divided by 3 (the three groups), presented as a percentage; and

**Trend** — the overall pattern or tendency of responses across groups.

The question posed to respondents was: “Please indicate the extent to which you agree or disagree with each of the following statements: When joining an organisation, the following total rewards options are/will be important to me”

Respondents answered the questions on the defined Likert scale (Table 14, Chapter 3). The results from these responses are presented in Table 22 by total reward element (in the left column), with corresponding year of birth across, and frequency of response downwards and across by importance which ranged from (1) *Not important at all*, (2) *Somewhat important*, (3) *Neutral*, (4) *Important* to (5) *Very important*. The table only contains the valid percent. The highlighted numbers indicate the highest percentages by group.

Considering the results in Table 22, the highest degree of similarity was found between the groups, 1946 – 1964, 1965 – 1980 and 1981 – 2000, for *Career/Growth opportunities*, *Learning and development opportunities*, *Resources*, *Retirement fund*, *Supportive management*, and *Salary/Pay*. Figure 30 shows the top seven preferences of the groups for *Attraction* based on the frequency analysis in Table 22.

## RESULTS: QUANTITATIVE RESEARCH

Considering the results in Table 22, the “1981 – 2000” group scored highest for *Career/Growth opportunities, learning and development opportunities, Retirement fund, Medical aid, Salary/Pay*.

Of the respondents born 1946–1964, the lowest-scored reward elements included *Smaller bonuses intermittently* and *Higher base salary with unlimited bonus potential*. For respondents born 1965–1980 and 1981–2000, the lowest-scored reward elements included *Smaller bonuses intermittently* and *Lower base salary with unlimited bonus potential*.

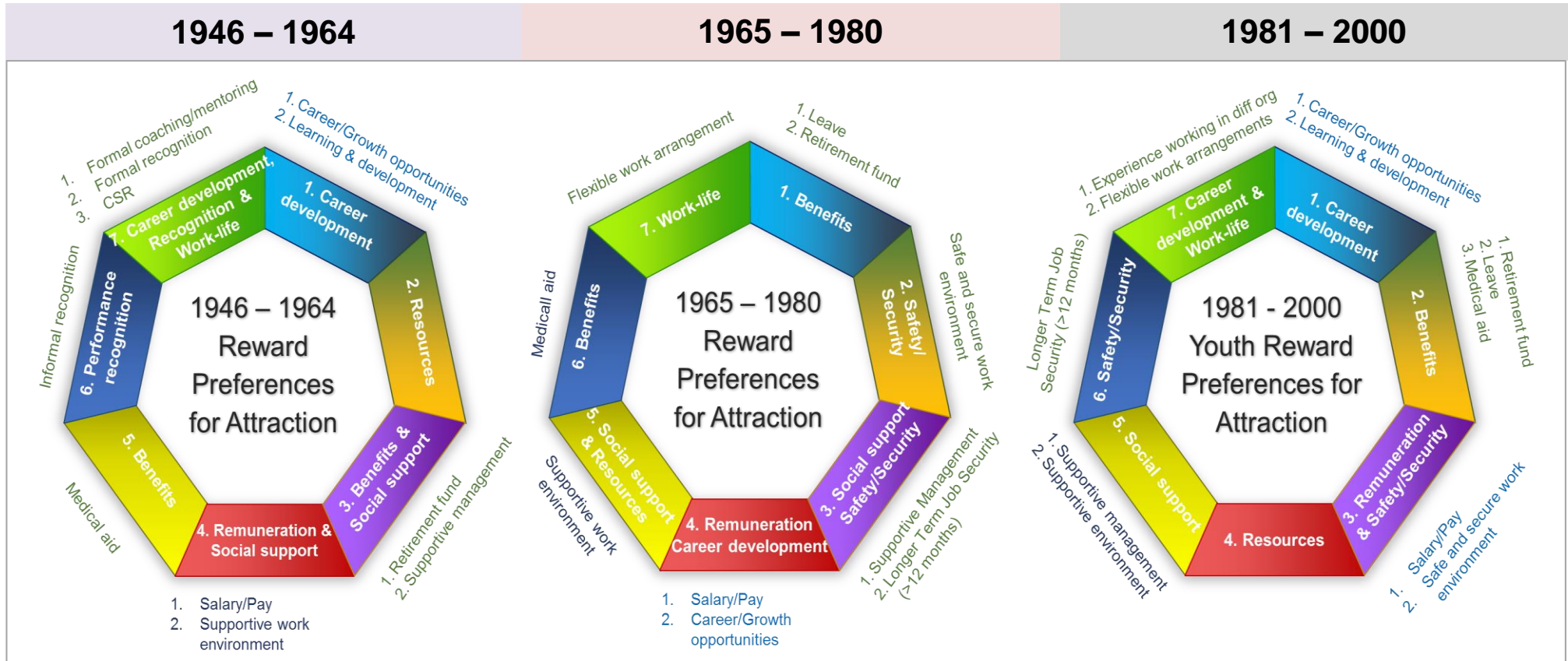
1	Not important at all
2	Somewhat important
3	Neutral
4	Important
5	Very important

**Table 22:** Frequency analysis: *Attraction*

*number indicates valid % *all rows add to cumulative percent of 100% Likert scale ranking	What is your year of birth?														
	1946 -1964					1965 - 1980					1981 - 2000				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Career/Growth opportunities	0.0	4.2	0.0	20.8	75.0	1.2	1.2	1.2	24.1	72.3	0.0	0.7	0.0	12.2	87.1
Learning and development opportunities	0.0	4.2	0.0	20.8	75.0	0.0	0.0	4.8	31.3	63.9	0.0	0.0	2.0	17.7	80.3
Retirement fund	4.2	0.0	12.5	16.7	66.7	2.4	0.0	1.2	18.3	78.0	0.7	2.0	4.8	18.4	74.1
Leave	0.0	0.0	25.0	37.5	37.5	0.0	1.2	2.4	14.5	81.9	0.7	1.4	4.8	20.4	72.8
Medical aid	8.3	0.0	12.5	25.0	54.2	2.4	3.6	3.6	22.9	67.5	0.7	2.0	6.1	18.4	72.8
Salary/Pay	0.0	0.0	4.2	37.5	58.3	0.0	1.2	1.2	25.0	72.6	0.7	0.0	1.4	27.2	70.7
Safe and secure work environment	0.0	4.2	8.3	45.8	41.7	1.2	0.0	1.2	20.7	76.8	0.7	0.7	6.9	21.4	70.3
Resources	0.0	0.0	0.0	26.1	73.9	1.2	0.0	2.4	26.8	69.5	0.7	0.0	4.8	24.7	69.9
Supportive management	0.0	0.0	4.2	29.2	66.7	0.0	0.0	1.2	23.2	75.6	0.7	0.7	2.7	27.4	68.5
Supportive work environment	0.0	4.2	4.2	33.3	58.3	0.0	0.0	3.7	25.6	70.7	0.7	0.0	2.1	30.1	67.1
Longer term job security (>12 months)	0.0	0.0	16.7	50.0	33.3	1.2	1.2	3.7	18.3	75.6	0.7	1.4	7.5	25.2	65.3
Experience of working in different organisations to maximise <b>career progression</b>	4.2	4.2	16.7	41.7	33.3	2.4	4.9	13.4	39.0	40.2	0.7	2.7	8.2	26.5	61.9
Flexible work arrangements	0.0	0.0	20.8	33.3	45.8	0.0	2.4	6.1	26.8	64.6	0.7	2.1	3.4	32.2	61.6
Experience of working in different organisations to maximise <b>career earnings potential</b>	4.5	13.6	31.8	36.4	13.6	2.6	5.2	16.9	44.2	31.2	0.7	5.6	9.0	29.9	54.9
Formal recognition	0.0	8.3	8.3	54.2	29.2	2.4	2.4	9.6	48.2	37.3	0.0	2.0	10.9	39.5	47.6
Formal coaching or mentoring programmes	4.2	0.0	12.5	54.2	29.2	2.4	4.9	6.1	48.8	37.8	0.7	1.4	10.2	41.5	46.3
Employee discounts	4.2	8.3	41.7	25.0	20.8	10.8	12.0	28.9	28.9	19.3	4.1	8.8	22.4	21.8	42.9
Employee wellness offering	8.3	8.3	29.2	29.2	25.0	8.4	6.0	15.7	39.8	30.1	3.4	8.2	19.0	27.2	42.2
Long-term incentives (LTI)	0.0	8.3	4.2	45.8	41.7	0.0	6.0	3.6	40.5	50.0	0.7	3.4	21.8	35.4	38.8
Lump sum annual bonus payment	4.2	8.3	16.7	37.5	33.3	1.2	3.6	13.3	44.6	37.3	3.4	5.4	21.1	32.0	38.1
Short-term incentives (STI)	8.3	12.5	20.8	33.3	25.0	2.4	6.0	14.3	42.9	34.5	2.0	8.8	20.4	31.3	37.4
Corporate social responsibility (CSR)	0.0	4.2	16.7	54.2	25.0	3.7	3.7	18.3	47.6	26.8	0.7	5.4	19.7	38.8	35.4
Informal recognition	0.0	12.5	20.8	16.7	50.0	7.2	2.4	20.5	43.4	26.5	3.4	9.6	19.2	34.2	33.6
Share options	4.2	8.3	33.3	29.2	25.0	2.4	7.1	20.2	36.9	33.3	2.7	4.8	23.8	36.1	32.7
Non-financial rewards	12.5	4.2	20.8	37.5	25.0	6.0	0.0	16.9	49.4	27.7	4.1	10.2	25.2	28.6	32.0
Sabbaticals, or other scheduled time reductions	8.3	4.2	37.5	29.2	20.8	7.2	10.8	15.7	36.1	30.1	2.7	10.9	30.6	26.5	29.3
13th Cheque	12.5	0.0	33.3	37.5	16.7	7.1	6.0	26.2	32.1	28.6	10.9	6.1	25.9	28.6	28.6
Higher base salary with limited bonus potential	29.2	20.8	25.0	16.7	8.3	4.8	20.5	30.1	33.7	10.8	3.4	20.4	29.3	28.6	18.4
Lower base salary with unlimited bonus potential	4.2	8.3	29.2	33.3	25.0	10.8	22.9	33.7	22.9	9.6	12.2	16.3	31.3	25.2	15.0
Smaller bonuses intermittently	20.8	20.8	41.7	16.7	0.0	12.0	25.3	34.9	21.7	6.0	15.0	21.8	32.7	23.8	6.8

## RESULTS: QUANTITATIVE RESEARCH

Figure 30, shows the top seven preferences for the groups, 1946–1964, 1965–1980, and 1981–2000 for attraction based on the results of the frequency analysis in Table 22.



**Figure 30:** Quantitative findings: Top 7 rewards for *Attraction*



Below is a description of the researcher's finding by reward category for the youth (born 1981–2000) based on the results in Table 22 for *Remuneration, Benefits, Performance recognition, Career development, Work–life, Safety/Security*.

#### 4.3.1.1. Remuneration

In this subsection, the researcher presents the findings by remuneration element: *Salary/Pay, 13<sup>th</sup> cheque, Short-term incentives, Long-term incentives, Share options*, and options related to pay structure and frequency of payments. Table 23 shows the findings based on the results in Table 22.

**Table 23:** Quantitative findings: *Remuneration*

Element	Findings
<b>Salary/Pay</b>	The trend was the same across all age groups, that Salary/Pay was <i>Very important</i> for attraction of all groups. This finding was consistent with existing research, with a <i>Very important</i> response rate of 70.7% for employees born 1981–2000.
<b>13<sup>th</sup> cheque</b>	There was no trend across the three groups regarding a 13 <sup>th</sup> cheque. The highest degree of similarity existed between the group born 1965–1980 and the group born 1981–2000. Neutral responses were equally consistent across the groups, and the results showed a high degree of neutrality.
<b>Short-term incentives</b>	The trend was the same across all groups. Combined, 68.7% of youth respondents gave a positive response to short-term incentives as a consideration for attraction.
<b>Long-term incentives</b>	The trend across the groups was a positive response. The groups were in agreement that long-term incentives are important, and would attract them to an organisation.
<b>Share options</b>	There was a trend between the groups born 1981–2000 and 1965–1980, who rated share options as an <i>Important</i> (but not <i>Very important</i> ) influencer in their decision to join an organisation. A total of 68.8% of the youths gave a positive response for <i>Share options</i> .
<b>Higher base salary with</b>	The trend was similar across all age groups — a higher base salary with limited bonus potential is not important. On average, 12.5% of the respondents rated this as <i>Very important</i> , compared to 26.3%

## RESULTS: QUANTITATIVE RESEARCH

Element	Findings
<b>limited bonus potential</b>	rating it <i>Important</i> , 28.1% rating it <i>Neutral</i> , 20.6% rating it <i>Somewhat important</i> , and 12.5% rating it <i>Not important</i> , with <i>Neutral</i> receiving the highest response rate.
<b>Lower base salary with unlimited bonus potential</b>	The trend was the same across all three age groups — that a lower base salary with unlimited bonus is not very important. On average, 16.5% of the respondents rated this <i>Very important</i> , compared to 27.1% rating it <i>Important</i> , 31.4% rating it <i>Neutral</i> , 15.9% rating it <i>Somewhat important</i> , and 9.1% rating it <i>Not important</i> , with <i>Neutral</i> receiving the highest response rate.
<b>Lump sum annual bonus payment</b>	The trend was the same for the groups born 1965–1980 and 1946–1964. For the group born 1981–2000, a lump sum annual bonus payment scored higher on <i>Very important</i> than for the other groups, who had a higher score on <i>Important</i> .
<b>Smaller bonus payments intermittently</b>	The trend was the same for the groups born 1981–2000 and 1965–1980. On average, across all the groups, 4.3% of the respondents rated this <i>Very important</i> , and 20.7% rated it <i>Important</i> , which yielded a 25% positive response rate. The payment of smaller bonuses payments intermittently was not seen as a very important attractor.

There was no trend for the 13<sup>th</sup> cheque; overall, the trends were the same across the groups for all the other variables.

### 4.3.1.2. Benefits

This section of the questionnaire collected data on the importance of benefits to the respondents, to determine if the youth valued these benefits the same, more, or less than other age groups. Table 24 shows the results for the *Benefit elements* based on the results in Table 22. *Retirement fund*, *Medical aid*, and *Leave* were scored higher than *Salary/Pay* by the youth (the group born 1981–2000).

## RESULTS: QUANTITATIVE RESEARCH

**Table 24:** Quantitative results: *Benefits*

Element	Findings
<b>Medical aid</b>	A positive response rate was a trend across all the age groups. Medical aid, on average, was scored <i>Very important</i> by 64.8% of the respondents within the groups.
<b>Retirement fund</b>	The trend of positive responses was the same across all age groups, who were in agreement that a retirement fund is very important. On average, 73% of the respondents rated a retirement fund as <i>Very important</i> , and 17.8% rated it <i>Important</i> . This represented positive response rate of 90.8%
<b>Leave</b>	The trend was the same across the age groups born 1981–2000 and 1965–1980. <i>Leave</i> scored high amongst youth respondents, with 72.8% scoring this as <i>Very important</i> and 20.4% rating it as <i>Important</i> , a combined positive response rate of 93.2%.
<b>Employee discounts</b>	The trend was the same across the age groups born 1946–1964 and 1965–1980. Of the youths, 42.9%, scored <i>Employee discounts</i> as <i>Very important</i> , compared to 19.3% of the respondents born 1965–1980 and 20.8% of the respondents born 1946–1964.
<b>Employee wellness offerings</b>	The trend was the same across the respondents born 1965–1980 and 1946–1964. Of the youths (born 1981–2000), 42.2% scored employee discounts <i>Very important</i> and 27.2% scored it <i>Important</i> , compared to 30.1% of respondents born 1965–1980 rating it <i>Very important</i> and 39.8% rating it <i>Important</i> , 25% of the respondents born 1946–1964 rated it <i>Very important</i> and 29.2% rated it <i>Important</i> .
<b>Sabbaticals or other scheduled time reductions</b>	The trend across all the groups was that they did not rate sabbaticals highly, evident in the low percentages for <i>Very important</i> across the groups. Each age group rated this benefit differently. Of the youths, 29% rated this as <i>Very important</i> , and 26.5% rated it <i>Important</i> , which yielded a 55.8% positive response rate.

*Retirement fund*, *Medical aid*, and *Leave* were scored higher than *Salary/Pay* by the youth (the group born 1981–2000).

## RESULTS: QUANTITATIVE RESEARCH

### 4.3.1.3. Performance recognition

The elements tested in this category included *Non-financial rewards*, *Formal recognition*, and *Informal recognition*. Table 25 shows the results for *Performance recognition* based on the results in Table 22.

**Table 25:** Quantitative findings: *Performance recognition*

Element	Findings
<b>Non-financial rewards</b>	The trend was consistent across the groups born 1965–1980 and 1946–1964. Of the group born 1981–2000, 32% rated it <i>Very important</i> , compared the groups born 1946–1964 (25%) and 1965–1980 (27.7%).
<b>Formal recognition</b>	The trend across the groups born 1964–1980 and 1946–1964 was the same. The group born 1981–2000 had a higher score for <i>Very important</i> than the other groups.
<b>Informal recognition</b>	The trend across the groups born 1964–1980 and 1981–2000 was that the same. <i>Informal recognition</i> , on average, received a 34.1% positive response rate. Of the youths, 34.2% rated it <i>Important</i> , higher than the 33.6% from the same age group who rated it <i>Very important</i> .

The results illustrate that *Formal recognition* is viewed as more important than non-financial rewards and informal recognition by the youth.

### 4.3.1.4. Career development

The category *Career development* measured the degree of importance that respondents placed on career development opportunities being available at an employer when deciding to join that organisation. The elements tested in this category included *Learning and development*, *Career/Growth opportunities*, *Experience working in different organisations to maximise career progression and earnings potential* and *Formal coaching or mentoring programmes*. Table 26 shows the results for *Career development* based on the results in Table 22.

## RESULTS: QUANTITATIVE RESEARCH

**Table 26:** Quantitative findings: *Career development*

Element	Findings
<b>Learning and development</b>	The trend was the same across all age groups. This element showed a positive response rate for all the respondents, particularly youths (born 1981–2000), who scored it higher than <i>Salary/Pay</i> .
<b>Career/Growth opportunities</b>	The trend was the same across all the age groups. An average of 78.1% of the respondents rated this <i>Very important</i> when considering an employer.
<b>Experience working in different organisations to maximise career progression</b>	A positive response trend was found for the groups born 1981–2000 and 1965–1980. The majority (88.4%) of the youth respondents responded positively. This was a very important consideration for the group born 1981–2000, more so than for the other age groups. Of the youths, (61.9%) rated it <i>Very important</i> , compared to the groups born 1965–1980 (40.2%) and 1946–1964 (33.3%).
<b>Experience working in different organisations to maximise career earnings potential</b>	There was no trend across the three groups. The highest degree of similarity existed between the groups born 1946–1964 and 1965–1980. 54.9% of the respondents of the group born 1981–2000 responded <i>Very important</i> to this question, which percentage was higher than for the other groups.
<b>Formal coaching or mentoring programmes</b>	A trend was found across the groups born 1964–1980 (48.8%) and 1946–1964 (54.2%), who were in agreement that formal coaching and mentoring programmes are <i>Important</i> but not <i>Very important</i> when considering joining an organisation. Of the respondents born 1981–2000, 46.3% rated it <i>Very important</i> , and 41.5% rated it <i>Important</i> .

## RESULTS: QUANTITATIVE RESEARCH

### 4.3.1.5. Work–life

The category *Work–life* included *Flexible work arrangements* and *Corporate social responsibility (CSR)*. Table 27 shows the results for *Work–life* based on the results in Table 22.

**Table 27:** Quantitative findings: *Work–life*

Element	Findings
<b>Flexible work arrangements</b>	The trend was the same across all age groups; they were in agreement on the importance of flexible work arrangements. Overall, the respondents responded positively to wanting flexible work arrangements when considering joining an organisation.
<b>CSR</b>	There was a trend across all the groups that CSR are important but not very important when considering an employer. CSR was rated <i>Very important</i> by 35.4% of the youth respondents, and 38.8% rated it as <i>Important</i> . This yielded a positive response of 74.1% for this age group, compared to the respondents born 1946–1964 (79.2%) and 1965–1980 (74.4%).

### 4.3.1.6. Safety/Security

The category *Safety/Security* included *Longer-term job security* and *Safe/secure work environment*. Table 28 shows the results for *Safety/Security* based on the results in Table 22.

**Table 28:** Quantitative findings: *Safety/Security*

Element	Findings
<b>Longer-term job security (&gt; 12 months)</b>	The trend was the same across the groups born 1981–2000 and 1965–1980. These groups were in agreement that longer-term <i>Job security</i> is <i>Very important</i> , whereas the group born 1946–1964 did not rate it as <i>Very important</i> to the same degree. Of youth respondents, 65.3%, compared to 75.6% of the group born 1965–1980 and 33.3% of the group born 1946–1964, rated <i>Longer-term job security</i> as <i>Very important</i> .

## RESULTS: QUANTITATIVE RESEARCH

Element	Findings
<b>Safe and secure work environment</b>	The trend was the same across the groups born 1981–2000 and 1965–1980. These groups were in agreement on the importance of a safe and secure work environment. The results reflected a 91.7% positive response rate for youth respondents.

### 4.3.1.7. Social support

The *Social support* category measured the importance respondents placed on *Supportive management*, a *Supportive work environment*, and *Resources* required to do their work. The findings are described in Table 29 based on the results shown in Table 22.

**Table 29:** Quantitative findings: *Social support*

Element	Findings
<b>Supportive management</b>	The trend was the same across all age groups, who were in agreement on the importance of supportive management. Of the youth, 68.5% rated <i>Supportive management</i> as <i>Very important</i> .
<b>Supportive work environment</b>	The trend was the same across all age groups. Of the total number of respondents, 67.1% rated this as <i>Very important</i> , and 30.1% rated it as <i>Important</i> , compared to <i>Supportive management's</i> score of 68.5% for <i>Very important</i> and 27.4% for <i>Important</i> . The positive response rate for all respondents was 95.9%. <i>Supportive work environment</i> received a positive response rate of 97.3% from the youth respondents.
<b>Resources</b>	The trend was the same across all age groups. Of the youth respondents, 94.5% gave a positive response; 69.9% ranked this as <i>Very important</i> , and 24.7% as <i>Important</i> .

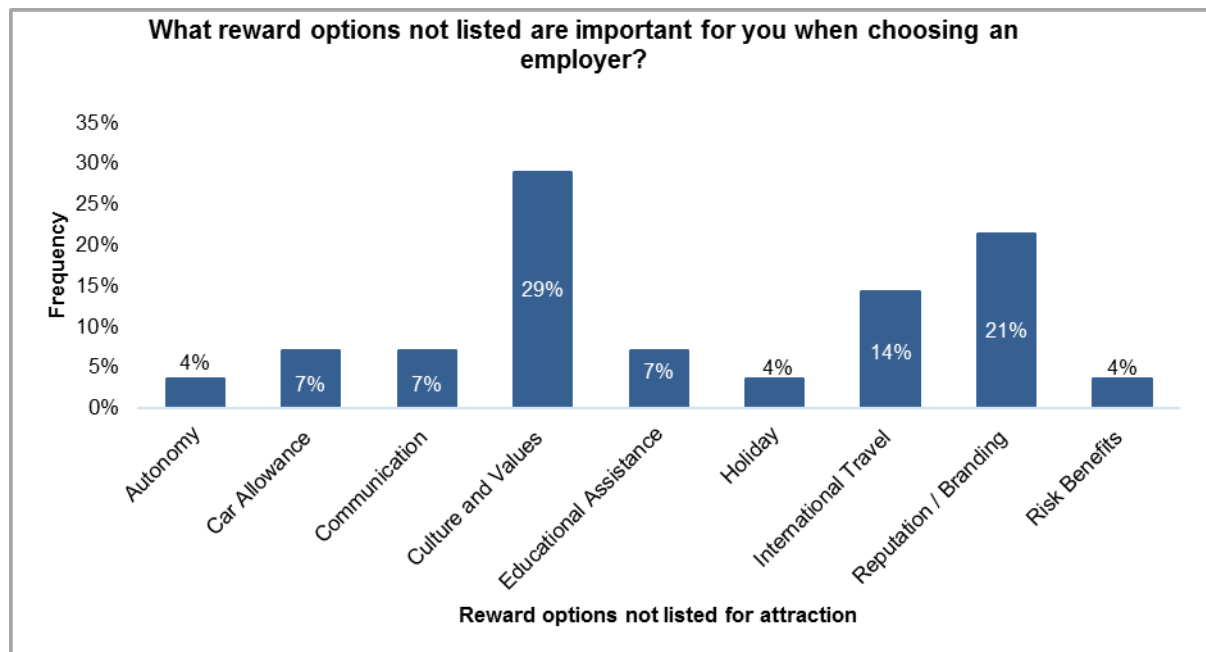
The results illustrate that *Social support* is very important for the youth. *Resources* rated 69.9%, *Supportive management* 68.5%, and *Supportive environment* 67.1%.

The findings presented above summarised the results obtained from the Likert scale closed-ended responses. The next section presents the findings from the open-ended question related to *Attraction*, testing if the researcher had included all rewards

## RESULTS: QUANTITATIVE RESEARCH

elements of importance. The question asked was: “*What reward elements not listed above are important to you when choosing an employer?*”

The closed ended responses are summarised in Figure 31. For the group born 1981–2000, the top three reward elements listed included: *Culture and the values* of the organisation, listed 29%, *Reputation/Branding* 21%, and *International travel*, 14%.



**Figure 31:** Reward elements not listed for *Attraction*

### 4.3.1.8. Frequency distribution for *Attraction*

This section describes the frequency distributions of the variables used to investigate the factors of attraction of the youth to organisations. Table 30 shows the frequency distributions for *Attraction*. Considering the data sets, the following is apparent.

For the group born **1946–1964** the median was high, ranging between 3 and 5, indicating that most respondents gave positive responses, with the exception of *Higher base salary with limited bonus*. The distributions were negatively skewed. There was less variability in this group and, therefore, a greater degree of consensus.

For the groups born **1965–1980** and **1981–2000**, the median was high, ranging between 4 and 5 in most instances, indicating that most respondents gave positive responses. There was a high degree of consensus within the groups. The standard deviation was relatively small, and the data were concentrated near the mean. The distributions were negatively skewed.



**Table 30:** Frequency distribution for *Attraction*

	What is your year of birth?														
	1946 - 1964					1965 - 1980					1981 - 2000				
	Mean	Median	Std. Dev	Min	Max	Mean	Median	Std. Dev	Min	Max	Mean	Median	Std. Dev	Min	Max
Salary/Pay	4.50	4.50	0.516	4	5	4.68	5.00	0.574	2	5	4.67	5.00	0.583	1	5
13th Cheque	3.69	4.00	1.014	1	5	3.71	4.00	1.148	1	5	3.54	4.00	1.278	1	5
Short-term incentives	3.50	4.00	1.366	1	5	4.01	4.00	0.993	1	5	3.93	4.00	1.055	1	5
Long-term incentives	4.19	4.00	0.981	2	5	4.33	4.00	0.800	2	5	4.04	4.00	0.903	1	5
Share options	3.50	3.50	1.211	1	5	3.90	4.00	1.030	1	5	3.89	4.00	1.005	1	5
Higher base salary with limited bonus potential	2.69	2.50	1.401	1	5	3.26	3.00	1.054	1	5	3.35	3.00	1.122	1	5
Lower base salary with unlimited bonus potential	3.69	4.00	1.014	2	5	3.00	3.00	1.155	1	5	3.12	3.00	1.249	1	5
Lump sum annual bonus payment	3.69	4.00	1.250	1	5	4.16	4.00	0.817	2	5	3.95	4.00	1.073	1	5
Smaller bonuses intermittently	2.56	3.00	1.094	1	4	2.86	3.00	1.045	1	5	2.87	3.00	1.136	1	5
Medical aid	4.38	5.00	1.088	1	5	4.45	5.00	0.958	1	5	4.58	5.00	0.774	1	5
Retirement fund	4.44	5.00	1.094	1	5	4.68	5.00	0.762	1	5	4.61	5.00	0.751	1	5
Leave	4.25	4.00	0.775	3	5	4.77	5.00	0.566	2	5	4.62	5.00	0.708	1	5
Employee discounts	3.31	3.00	1.078	1	5	3.38	4.00	1.265	1	5	3.88	4.00	1.185	1	5
Employee Wellness Offering	3.69	4.00	1.250	1	5	3.79	4.00	1.190	1	5	3.92	4.00	1.131	1	5
Sabbaticals, or other scheduled time reductions	3.75	4.00	1.065	1	5	3.77	4.00	1.196	1	5	3.63	4.00	1.085	1	5
Non-financial rewards	3.56	4.00	1.315	1	5	3.99	4.00	0.920	1	5	3.71	4.00	1.132	1	5
Formal recognition	4.19	4.00	0.834	2	5	4.22	4.00	0.837	1	5	4.31	4.00	0.763	2	5
Informal recognition	4.38	5.00	0.957	2	5	3.89	4.00	1.035	1	5	3.85	4.00	1.104	1	5
Learning and development opportunities	4.75	5.00	0.447	4	5	4.58	5.00	0.599	3	5	4.78	5.00	0.465	3	5
Career/Growth opportunities	4.81	5.00	0.403	4	5	4.64	5.00	0.714	1	5	4.85	5.00	0.418	2	5
Experience of working in different organisations to maximise career progression	3.88	4.00	1.147	1	5	4.07	4.00	1.005	1	5	4.46	5.00	0.814	1	5
Experience of working in different organisations to maximise career earnings potential	3.38	3.00	1.147	1	5	3.96	4.00	0.978	1	5	4.34	5.00	0.911	1	5
Formal coaching or mentoring programmes	4.25	4.00	0.683	3	5	4.18	4.00	0.948	1	5	4.31	4.00	0.774	1	5
Flexible work arrangements	4.38	5.00	0.806	3	5	4.53	5.00	0.728	2	5	4.50	5.00	0.739	1	5
Corporate social responsibility	4.06	4.00	0.772	2	5	3.93	4.00	0.918	1	5	4.02	4.00	0.927	1	5
Longer term job security (>months)	4.38	4.00	0.619	3	5	4.68	5.00	0.621	2	5	4.52	5.00	0.768	1	5
Safe and secure work environment	4.44	4.50	0.629	3	5	4.75	5.00	0.465	3	5	4.60	5.00	0.712	1	5
Supportive management	4.75	5.00	0.447	4	5	4.74	5.00	0.442	4	5	4.61	5.00	0.656	1	5
Supportive work environment	4.56	5.00	0.629	3	5	4.66	5.00	0.533	3	5	4.61	5.00	0.609	1	5
Resources	4.81	5.00	0.403	4	5	4.67	5.00	0.647	1	5	4.61	5.00	0.657	1	5

#### 4.3.2. Total reward findings for *Retention*

Similar to attraction, the researcher, in the description of the results and analysis of the data, used a Likert scale ranging from 1 (*Very important*) to 5 (*Not important at all*) (Refer to Table 14 in Chapter 3). The research results based on the results of the frequency analysis shown in Table 31 are presented from Table 32 to Table 38.

The results from Table 32 to Table 38 are described according to three condensed categories, namely:

1. **Positive response**, combining the responses *Very important* and *Important*;
2. **Negative response**, combining the responses *Somewhat important* and *Not important at all*; and
3. **Neutral response**.

The terms used in the discussion of the results from Table 32 to Table 38 are:

**Average** — the sum of the values per group, divided by 3 (the three groups), presented as a percentage; and

**Trend** — the overall pattern or tendency of responses across groups.

In this section, the researcher evaluated the importance of the reward elements for retention. The question posed in the questionnaire was: “Please indicate the extent to which you agree or disagree with each of the following statements: The following reward elements have or will have an influence on my decision to remain with an employer.”

Table 31 shows the frequency distributions of the variables, which were used to investigate the reward factors of *Retention*. Respondents answered the questions on the defined Likert scale (Table 14, Chapter 3). The results from these responses are presented in Table 31 by total reward element (in the left column), with corresponding year of birth across, and frequency of response downwards and across by importance which ranged from (1) *Not important at all*, (2) *Somewhat important*, (3) *Neutral*, (4) *Important* to (5) *Very important*.

The highest degree of similarity between the groups was found for *Learning and development*, *Supportive management*, *Resources*, *Salary/Pay*, *Retirement fund*, and *Career/Growth opportunities for youth born 1981 – 2000*. Figure 32 describes the top

## RESULTS: QUANTITATIVE RESEARCH

seven preferences of the groups for *Retention* based on the results of the frequency analysis in Table 31.

The lowest-scored reward elements were the same as for attraction. They were: *Smaller bonuses intermittently* and *Higher lower base pay with unlimited bonus potential for the groups*.

1	Not important at all
2	Somewhat important
3	Neutral
4	Important
5	Very important

**Table 31: Frequency analysis: *Retention***

*number indicates valid % *all rows add to cumulative percent of 100% Likert scale ranking	1946 -1964					What is your year of birth? 1965 - 1980					1981 - 2000				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Career/Growth opportunities	0.0	0.0	5.3	26.3	68.4	0.0	2.5	2.5	27.2	67.9	0.0	1.4	2.8	21.5	74.3
Learning and development opportunities	0.0	0.0	5.3	15.8	78.9	0.0	4.9	6.1	25.6	63.4	0.7	1.4	2.8	22.9	72.2
Supportive work environment	0.0	0.0	5.3	36.8	57.9	0.0	0.0	1.2	30.9	67.9	2.1	0.7	5.6	23.6	68.1
Supportive management	0.0	0.0	5.3	21.1	73.7	0.0	0.0	0.0	22.2	77.8	2.1	0.7	7.0	23.8	66.4
Resources	0.0	0.0	5.3	21.1	73.7	0.0	0.0	6.2	32.1	61.7	2.1	0.7	9.7	23.6	63.9
Flexible work arrangements	0.0	0.0	15.8	31.6	52.6	0.0	1.2	8.6	29.6	60.5	2.1	0.7	7.7	25.9	63.6
Safe and secure work environment	0.0	0.0	15.8	26.3	57.9	0.0	2.5	7.4	22.2	67.9	2.1	2.8	7.7	26.8	60.6
Retirement fund	0.0	5.3	15.8	10.5	68.4	2.4	7.3	9.8	19.5	61.0	3.5	5.6	9.0	22.2	59.7
Salary/Pay	0.0	0.0	5.0	25.0	70.0	0.0	4.8	4.8	32.1	58.3	0.7	2.1	3.5	34.7	59.0
Longer term job security (>12 months)	5.3	0.0	10.5	31.6	52.6	0.0	3.7	3.7	29.6	63.0	2.8	2.1	9.1	27.3	58.7
Medical aid	5.3	5.3	15.8	15.8	57.9	2.4	7.2	8.4	24.1	57.8	4.2	4.2	16.1	16.8	58.7
Leave	0.0	0.0	10.5	42.1	47.4	1.2	4.8	8.4	19.3	66.3	2.1	3.5	13.4	22.5	58.5
Experience of working in different organisations to maximise career progression	10.5	5.3	5.3	57.9	21.1	3.7	6.2	18.5	28.4	43.2	0.7	2.1	12.5	29.9	54.9
Formal coaching or mentoring programmes	0.0	5.3	10.5	47.4	36.8	0.0	6.2	16.0	35.8	42.0	1.4	3.5	11.8	29.9	53.5
Experience of working in different organisations to maximise career earnings potential	10.5	5.3	21.1	31.6	31.6	3.7	7.4	23.5	33.3	32.1	1.4	4.9	14.6	28.5	50.7
Formal recognition	5.3	0.0	0.0	47.4	47.4	2.4	11.0	17.1	36.6	32.9	4.2	6.3	11.8	34.0	43.8
Long-term incentives (LTI)	5.0	0.0	20.0	45.0	30.0	1.2	10.8	10.8	36.1	41.0	2.1	6.3	13.9	36.8	41.0
Employee wellness offering	5.3	5.3	26.3	26.3	36.8	6.0	12.0	21.7	32.5	27.7	4.9	11.8	22.9	21.5	38.9
Lump sum annual bonus payment	5.3	0.0	26.3	36.8	31.6	4.9	8.5	15.9	43.9	26.8	3.5	8.3	16.7	34.7	36.8
Share options	5.3	0.0	47.4	21.1	26.3	3.6	14.5	28.9	22.9	30.1	3.5	6.9	20.8	32.6	36.1
Employee discounts	10.5	5.3	31.6	31.6	21.1	9.6	20.5	24.1	26.5	19.3	6.3	9.8	25.9	23.1	35.0
Corporate social responsibility (CSR)	0.0	5.6	11.1	44.4	38.9	4.9	4.9	29.6	38.3	22.2	3.5	4.9	23.8	35.0	32.9
Sabbaticals, or other scheduled time reductions	5.3	10.5	31.6	15.8	36.8	6.0	14.5	19.3	30.1	30.1	6.9	6.9	27.1	27.1	31.9
Short-term incentives (STI)	10.0	0.0	30.0	30.0	30.0	6.0	18.1	19.3	27.7	28.9	2.1	10.4	25.7	33.3	28.5
13th Cheque	20.0	0.0	30.0	25.0	25.0	9.5	20.2	17.9	31.0	21.4	8.3	14.6	22.9	25.7	28.5
Informal recognition	5.3	5.3	15.8	26.3	47.4	6.1	9.8	15.9	37.8	30.5	4.9	6.3	27.1	34.0	27.8
Non-financial rewards	15.8	0.0	26.3	31.6	26.3	4.9	9.8	17.1	37.8	30.5	6.9	9.0	26.4	30.6	27.1
Higher base salary with limited bonus potential	21.1	10.5	36.8	21.1	10.5	3.7	14.6	26.8	26.8	28.0	4.9	9.7	30.6	31.3	23.6
Lower base salary with unlimited bonus potential	21.1	5.3	36.8	21.1	15.8	14.6	17.1	36.6	22.0	9.8	10.4	11.1	32.6	26.4	19.4
Smaller bonuses intermittently	21.1	15.8	47.4	15.8	0.0	12.0	18.1	42.2	26.5	1.2	6.9	19.4	29.9	24.3	19.4

## RESULTS: QUANTITATIVE RESEARCH

Figure 32, describes the top seven preferences for retention for the groups, 1946–1964, 1965–1980, and 1981–2000 based on the outcome of the frequency analysis in Table 31.

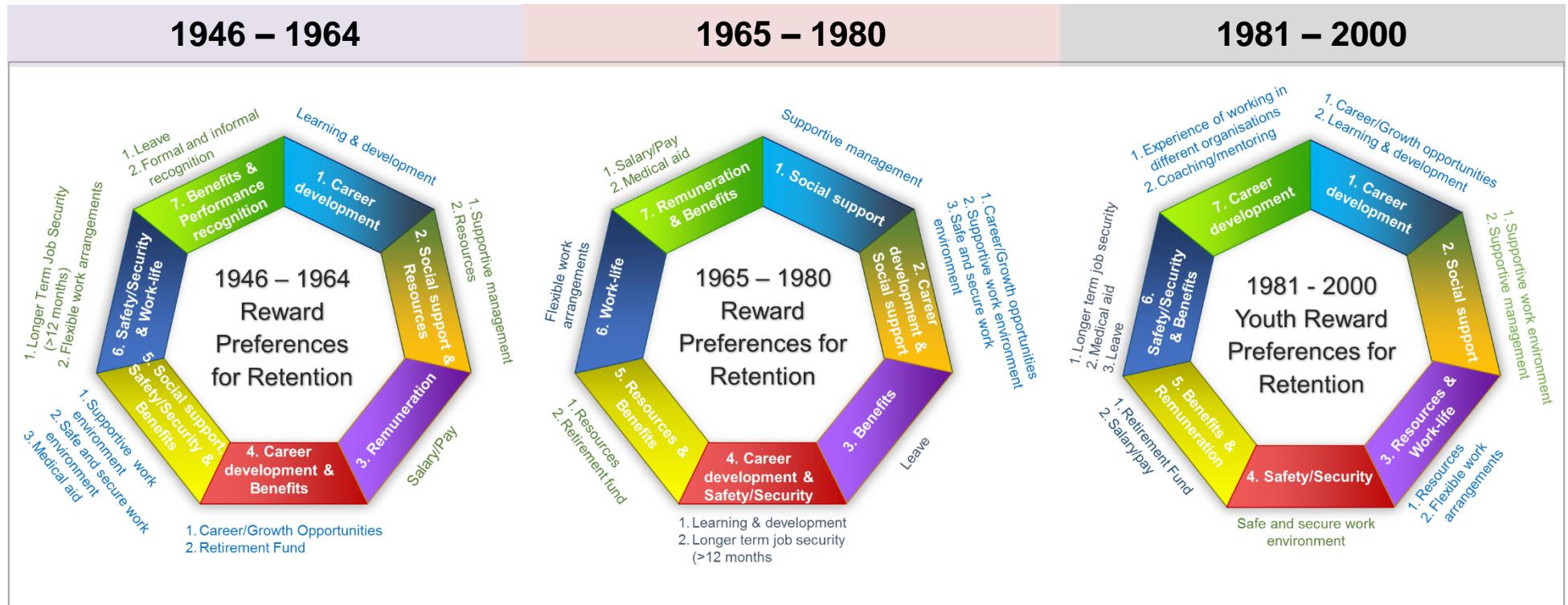


Figure 32: Quantitative findings: Top 7 rewards for *retention*

Below is a description of the researcher's finding by reward element for the youth (born 1981–2000) based on the results shown in Table 31.

#### 4.3.2.1. Remuneration

In Table 32, *Remuneration* included all elements related to pay. The table shows the findings based on the results shown in Table 31.

**Table 32:** Quantitative findings: *Remuneration*

Element	Findings
<b>Salary/Pay</b>	The trend was the same across all age groups. On average, 62.5% of respondents rated <i>Pay</i> as a <i>Very important</i> consideration when deciding to remain with an employer, and 30.6% on average viewed it as <i>Important</i> . A combined positive response score of 93.8% was obtained for the youth. Although this was 5% lower than that of <i>Attraction</i> , it remains a significant percentage.
<b>13<sup>th</sup> cheque</b>	There was no trend across the age groups regarding the importance of a <i>13<sup>th</sup> cheque</i> when considering leaving an employer. Each group held its own view. Of the group born 1981–2000, 28.5% viewed a <i>13<sup>th</sup> cheque</i> as <i>Very important</i> , compared to 21.4% of the group born 1965–1980, and 25% of the group born 1946–1964.
<b>Short-term incentives</b>	There was no trend across the age groups. Each group held its own view. On average, 29.1% of respondents viewed <i>Short-term incentives</i> as <i>Very important</i> for their retention. Of the group born 1981–2000, 33.3% rated short-term incentives as <i>Important</i> , and 28.5% rated it <i>Very important</i> . This score overall was lower than the results for <i>Attraction</i> .
<b>Long-term incentives</b>	There was a trend in the positive responses across the groups born 1981–2000 and 1965–1980. <i>Long-term incentives</i> were scored as follows: 41% rated it as <i>Very important</i> , and 36.5% rated it as <i>Important</i> . Combined, this represented a 77.5% positive response rate. Of the group born 1946–1964, only 30% considered it <i>Very important</i> , while 45% rated it <i>Important</i> .

## RESULTS: QUANTITATIVE RESEARCH

Element	Findings
<b>Share options</b>	A trend was found in the positive responses. On average, 30.8% of respondents considered <i>Share options</i> <i>Very important</i> .
<b>Higher base salary and limited bonus potential</b>	A trend was found between the groups born 1981–2000 and 1946–1964. These groups did not consider this very important. Of the respondents born 1981–2000, 23.6% indicated that this is <i>Very important</i> .
<b>Lower base salary with unlimited bonus potential</b>	A trend was found between the groups. Overall, this was not a preferred option, receiving an average of 19.1% positive responses. There was general agreement, as the pattern was the same across all groups.
<b>Lump sum annual bonus payment</b>	A trend was found in the results of the age groups 1946–1964 and 1965–1980. It was rated <i>Very important</i> by 36.8% of the group born 1981–2000, and by 26.8% of the group born 1965–1980, and by 31.6% of the group born 1946–1964.
<b>Smaller bonuses payments intermittently</b>	The trend across the groups was that receiving <i>Smaller bonus payments intermittently</i> would not be very important to retain them. The findings were that, on average, 6.9% considered this <i>Very important</i> , and 39.8% responded <i>Neutral</i> .

The youth and baby boomers did not consider higher base salary and limited bonus potential important. In addition, lower base salary with unlimited bonus potential was not considered important.

### 4.3.2.2. Benefits

The category *Benefits* consisted of *Medical aid, Retirement fund, Leave, Sabbaticals or other scheduled time off, Wellness offerings, and Employee discounts* (Table 33). Table 33 shows the findings based on the results in Table 31.

## RESULTS: QUANTITATIVE RESEARCH

**Table 33:** Quantitative findings: *Benefits*

Element	Findings
<b>Medical aid</b>	The trend, as with <i>attraction</i> , was the same across all age groups. All three age groups were in agreement on the importance of a <i>Medical aid</i> . <i>Medical aid</i> was rated, on average, as <i>Very Important</i> by 58.2%.
<b>Retirement fund</b>	The trend was the same across all age groups regarding the importance of a <i>Retirement fund</i> . On average, this was rated <i>Very Important</i> by 70.2%.
<b>Leave</b>	The trend was the same across all age groups, who were in agreement on the importance of leave. <i>Leave</i> showed an 83% combined positive response rate.
<b>Employee discounts</b>	A trend was found between the groups born 1965–1980 and 1946–1964, who valued <i>Employee discounts</i> more (rated <i>Important</i> by 26.5% and 31.6% respectively, compared to the rating of <i>Very important</i> by 19.3% and 21.1% respectively. The group born 1981–2000, 35% rated this as <i>Very important</i> , and 23.1% rated it as <i>Important</i> .
<b>Employee wellness offerings</b>	A trend was found between the groups born 1946–1964 and 1981–2000. <i>Employee wellness</i> offerings were highly valued for <i>retention</i> by the groups born 1981–2000 (38.9%) and 1946–1964 (36.8%).
<b>Sabbaticals and other scheduled time reductions</b>	There was no trend across the age groups. On average, 33% viewed this as <i>Very important</i> , and 24.3% viewed it as <i>Important</i> . <i>Sabbaticals</i> scored higher on <i>Very important</i> for <i>Retention</i> than for <i>Attraction</i> .

Employee wellness offerings were highly valued for retention by the youth and Baby boomers.

### 4.3.2.3. Performance recognition

This category consisted of *Non-financial rewards*, *Formal recognition* and *Informal recognition* (Table 34). Table 34 shows the findings based on the results in Table 31.

**Table 34:** Quantitative findings: *Performance recognition*



## RESULTS: QUANTITATIVE RESEARCH

Element	Findings
<b>Non-financial rewards</b>	The trend was the same across the age groups. There was general agreement, and the pattern was the same across all age groups on the importance of <i>Non-financial rewards</i> . On average, 28% of respondents responded <i>Very important</i> , and 33.3% rated it as <i>Important</i> .
<b>Formal recognition</b>	The trend was the same across the age groups born 1946–1964 and 1981–2000 regarding positive responses. Of the group born 1981–2000, 43.8% rated <i>Formal recognition</i> as <i>Very important</i> .
<b>Informal recognition</b>	A trend was seen between the groups born 1981–2000 and 1965–1980 regarding the importance of <i>Informal recognition</i> . This was evident in a combined positive response rate of 66%, 10% less than that of <i>Formal recognition</i> . The group born 1946–1964 valued <i>Informal recognition</i> highly.

In the category *Performance recognition*, *Formal recognition* was rated the highest of all three elements.

### 4.3.2.4. Career development

This category included *Learning and development opportunities*, *Career/Growth opportunities*, *Experience working in different organisations to maximise career progression*, *Experience working in different organisations to maximise career earnings potential*, and *Formal coaching or mentoring programmes* (Table 35). Table 35 shows the findings based on the results in Table 31.

**Table 35:** Quantitative findings: *Career development*

Element	Findings
<b>Learning and development opportunities</b>	The trend was the same across all age groups. The group born 1981–2000 rated <i>Learning and development opportunities</i> significantly higher than other reward options, including <i>Salary/Pay</i> . A combined positive response of 93% was obtained, which was 10% higher than that for <i>Salary/Pay</i> .
<b>Career/Growth opportunities</b>	The trend was the same across all age groups, who were in agreement on the importance of <i>Career/Growth opportunities</i> .

## RESULTS: QUANTITATIVE RESEARCH

Element	Findings
	This was scored, on average, as <i>Very important</i> by 70.2% of the respondents.
<b>Experience working in different organisations to maximise career progression</b>	The trend was the same across the groups born 1981–2000 and 1965–1980. These groups were in agreement regarding the importance of <i>Experience working in different organisations to maximise your career progression</i> .
<b>Experience working in different organisations to maximise career earnings potential</b>	The group born 1981–2000 were in agreement on the importance of <i>Experience working in different organisations to maximise career earnings is very important</i> . The results showed that 44% of the respondents rated this as <i>Very important</i> , and 30% rated it as <i>Important</i> . The combined result was a 74% positive response rate. This was rated lower than responses related to <i>Maximising career progression</i> .
<b>Formal coaching or mentoring programmes</b>	<i>Formal coaching or mentoring programmes</i> was rated <i>Very important</i> for <i>retention</i> by 49% of the respondents, 7% more than for <i>Attraction</i> . It was rated <i>Important</i> by 33% of the respondents, 10% less than for <i>attraction</i> . The combined positive response rate was 82%. A trend existed across the groups born 1981–2000 and 1965–1980, who were in agreement on the importance of <i>Formal coaching and mentoring programmes</i> . The group born 1946–1964, overall, considered this important, but not very important.

*Learning and development opportunities* and *Career/Growth opportunities* were scored the highest in this section, and are important to employees when considering whether to stay with an organisation.

## RESULTS: QUANTITATIVE RESEARCH

### 4.3.2.5. Work–life

This category consisted of *Flexible work arrangements* and *CSR* (Table 36). Table 36 shows the findings based on the results in Table 31.

**Table 36:** Quantitative findings: *Work–life*

Element	Findings
<b>Flexible work arrangements</b>	The trend was the same across all age groups, who were in agreement on the importance of <i>Flexible work arrangements</i> . Of the youth respondents, 89.5% responded positively.
<b>CSR</b>	The trend was the same across all age groups, who were in agreement on the importance of <i>CSR</i> . On average, it was rated <i>Very important</i> by 31.3% of respondents; 39.2% rated it as <i>Important</i> , and 21.5% were <i>Neutral</i> . Overall, <i>CSR</i> received a lower rating for <i>Retention</i> than for <i>Attraction</i> .

Both *flexible arrangements* and *CSR* were rated the same by the three groups.

### 4.3.2.6. Safety/Security

This category consisted of the elements *Longer-term job security* and *Safe and secure work environment* (Table 37). Table 37 shows the findings based on the results in Table 31.

**Table 37:** Quantitative findings: *Safety/Security*

Element	Findings
<b>Longer-term job security (&gt;12 months)</b>	The trend was the same across all age groups. The youth group showed an 86% positive response rate for <i>Retention</i> , only 3% less than for <i>Attraction</i> . The group born 1946–1964 had an 84.2% positive response rate and the group born 1965–1980 had a 92.6% positive response rate.
<b>Safe and secure work environment</b>	The trend was the same across all groups. Having a <i>Safe and secure work environment</i> was highly rated by all respondents.

Longer-term job security and safe work environment were rated the same by the three groups.

## RESULTS: QUANTITATIVE RESEARCH

### 4.3.2.7. Social support

This category consisted of *Supportive management*, *Supportive work environment*, and *Resources* (Table 38). Table 38 shows the findings based on the results in Table 31.

**Table 38:** Quantitative findings: *Social support*

Element	Findings
<b>Supportive management</b>	The trend was the same across all age groups regarding the importance of <i>Supportive management</i> . The results for <i>Very important</i> were the same as for <i>Attraction</i> .
<b>Supportive work environment</b>	The trend was the same across all age groups regarding the importance of a <i>Supportive work environment</i> .
<b>Resources</b>	The trend was the same across all groups. Overall, the youth respondents responded positively to this statement; 64% rated this as <i>Very important</i> and 26% rated it as <i>Important</i> . Their combined positive response rate was 90%, compared to 94.7% for the group born 1946–1964 and 93.8% for the group born 1965–1980.

The three groups responded similarly to the questions on *Supportive management*, *Supportive work environment*, and *Resources*.

The next section presents the findings from the open-ended question for retention, testing if the researcher had included all rewards elements of importance. The question asked was: “*What reward elements not listed above are important to you when choosing to remain with an employer?*”

The results for the group born 1981–2000 are provided in Figure 33. The top 3 reward elements listed included *Culture of the organisation* — 44%. This finding was the same for *Attraction* — 29%, which was 15% less than for *Retention*. *Allowances* (including car and meal allowances) — 28%. *International travel* — 11%, 3% less than for *Attraction* (14%).

## RESULTS: QUANTITATIVE RESEARCH



**Figure 33:** Reward elements not listed for *retention*

### 4.3.2.8. Frequency distribution for *Retention*

In this section, Table 39 shows the frequency distributions of the variables used to investigate the reward factors of *Retention*. There was a high degree of consistency in the medians and means of the groups. In most instances, this indicated that there was a high degree of consistency within the groups. A high median ranges from 3 to 5, indicating that most respondents gave a positive response. *Higher base salary with limited bonus* scored slightly more for *Retention* than for *Attraction*. The distributions were largely negatively skewed for all groups. The standard deviation was relatively small, indicating that the data were concentrated around the mean.

**Table 39:** Frequency distribution for *Retention*

	What is your year of birth?														
	1946 - 1964					1965 - 1980					1981 - 2000				
	Mean	Median	Std. Dev	Min	Max	Mean	Median	Std. Dev	Min	Max	Mean	Median	Std. Dev	Min	Max
Salary/Pay	4.69	5.00	0.479	4	5	4.40	5.00	0.829	2	5	4.49	5.00	0.739	1	5
13th Cheque	3.56	4.00	1.263	1	5	3.34	4.00	1.293	1	5	3.47	4.00	1.278	1	5
Short-term incentives	3.81	4.00	1.109	1	5	3.59	4.00	1.223	1	5	3.72	4.00	1.048	1	5
Long-term incentives	4.13	4.00	0.719	3	5	4.04	4.00	1.033	1	5	4.06	4.00	0.998	1	5
Share options	3.69	3.50	1.138	1	5	3.62	4.00	1.174	1	5	3.89	4.00	1.082	1	5
Higher base salary with limited bonus potential	2.94	3.00	1.289	1	5	3.60	4.00	1.152	1	5	3.58	4.00	1.116	1	5
Lower base salary with unlimited bonus potential	3.13	3.00	1.360	1	5	2.96	3.00	1.184	1	5	3.29	3.00	1.208	1	5
Lump sum annual bonus payment	3.81	4.00	1.047	1	5	3.81	4.00	1.023	1	5	3.90	4.00	1.093	1	5
Smaller bonuses intermittently	2.63	3.00	1.025	1	4	2.90	3.00	0.960	1	5	3.31	3.00	1.187	1	5
Medical aid	4.38	5.00	0.957	2	5	4.29	5.00	1.020	1	5	4.20	5.00	1.130	1	5
Retirement fund	4.44	5.00	0.964	2	5	4.30	5.00	1.050	1	5	4.27	5.00	1.081	1	5
Leave	4.31	4.00	0.704	3	5	4.47	5.00	0.914	1	5	4.31	5.00	0.982	1	5
Employee discounts	3.56	4.00	1.094	1	5	3.32	3.00	1.246	1	5	3.69	4.00	1.222	1	5
Employee Wellness Offering	4.00	4.00	0.966	2	5	3.60	4.00	1.210	1	5	3.74	4.00	1.231	1	5
Sabbaticals, or other scheduled time reductions	3.81	4.00	1.109	2	5	3.64	4.00	1.195	1	5	3.69	4.00	1.199	1	5
Non-financial rewards	3.69	4.00	1.302	1	5	3.84	4.00	1.106	1	5	3.61	4.00	1.196	1	5
Formal recognition	4.50	4.50	0.516	4	5	3.93	4.00	1.045	1	5	4.04	4.00	1.101	1	5
Informal recognition	4.25	4.50	0.931	2	5	3.81	4.00	1.174	1	5	3.74	4.00	1.100	1	5
Learning and development opportunities	4.69	5.00	0.602	3	5	4.48	5.00	0.784	2	5	4.64	5.00	0.683	1	5
Career/Growth opportunities	4.63	5.00	0.619	3	5	4.58	5.00	0.686	2	5	4.68	5.00	0.606	2	5
Experience of working in different organisations to maximise career progression	3.81	4.00	1.223	1	5	4.01	4.00	1.074	1	5	4.36	5.00	0.838	1	5
Experience of working in different organisations to maximise career earnings potential	3.88	4.00	1.204	1	5	3.90	4.00	1.043	1	5	4.23	5.00	0.978	1	5
Formal coaching or mentoring programmes	4.06	4.00	0.854	2	5	4.12	4.00	0.912	2	5	4.27	5.00	0.920	1	5
Flexible work arrangements	4.31	4.50	0.793	3	5	4.49	5.00	0.729	2	5	4.47	5.00	0.849	1	5
Corporate social responsibility	4.19	4.00	0.834	2	5	3.62	4.00	1.049	1	5	3.90	4.00	1.017	1	5
Longer term job security (>months)	4.50	5.00	0.632	3	5	4.49	5.00	0.766	2	5	4.36	5.00	0.945	1	5
Safe and secure work environment	4.44	5.00	0.727	3	5	4.55	5.00	0.746	2	5	4.40	5.00	0.911	1	5
Supportive management	4.63	5.00	0.619	3	5	4.77	5.00	0.426	4	5	4.50	5.00	0.841	1	5
Supportive work environment	4.44	4.50	0.629	3	5	4.66	5.00	0.506	3	5	4.55	5.00	0.813	1	5
Resources	4.75	5.00	0.577	3	5	4.56	5.00	0.601	3	5	4.45	5.00	0.866	1	5

#### 4.3.3. Total reward categories' ranking

In this section of the questionnaire, the researcher tested how respondents would summarise their preferences. The question was further included to test the consistency in responses against that of the previous section. The question posed in the questionnaire was: "On a scale of 1 to 5, with 1 being the least important and 5 the most important, how do you rank the following by importance when deciding to join an organisation?"

Table 40 provides a summary of the groups' responses; the highlighted areas are the top-ranked categories for *Attraction* and *Retention*. The results indicated that the group born 1946–1965 had strong preferences, with *Performance recognition* ranked highest for this group for both *Attraction* and *Retention*, followed by *Career development*. For the group born 1965–1980, the highest ranked for *Attraction* as *Remuneration* and, for *Retention*, *Career development*. The top-ranked for the group born 1981–2000 was *Career development* for both *Attraction* and *Retention*.

**Table 40:** Total rewards categories: Ranking *Attraction and Retention*

*number indicates valid % *rows add to cumulative 100%		What is your year of birth?														
		1946 -1964					1965 - 1980					1981 - 2000				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Attraction	Remuneration	0.0	5.0	10.0	35.0	50.0	10.1	0.0	16.5	19.0	54.4	4.2	5.6	21.5	26.4	42.4
	Benefits	10.0	10.0	20.0	35.0	25.0	8.9	7.6	16.5	32.9	34.2	9.0	13.2	25.0	24.3	28.5
	Social support	10.5	10.5	15.8	21.1	42.1	29.1	7.6	17.7	17.7	27.8	30.6	9.0	13.9	18.1	28.5
	Security/Safety	15.8	0.0	31.6	15.8	36.8	29.1	7.6	6.3	27.8	29.1	27.1	11.1	17.4	9.7	34.7
	Work life	5.3	5.3	21.1	21.1	47.4	12.7	15.2	12.7	16.5	43.0	11.1	9.0	26.4	22.2	31.3
	Career development opportunities	0.0	5.3	0.0	36.8	57.9	10.1	5.1	17.7	21.5	45.6	6.9	4.2	11.8	24.3	52.8
	Performance recognition	5.3	0.0	0.0	10.5	84.2	13.9	8.9	21.5	25.3	30.4	12.5	15.3	20.8	24.3	27.1
Ranking		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Retention	Remuneration	0.0	10.0	5.0	25.0	60.0	7.4	3.7	21.0	19.8	48.1	7.6	6.9	19.4	22.2	43.8
	Benefits	10.0	5.0	20.0	30.0	35.0	11.1	8.6	22.2	27.2	30.9	11.8	12.5	24.3	20.1	31.3
	Social support	10.0	5.0	20.0	30.0	35.0	25.9	6.2	18.5	24.7	24.7	29.2	7.6	17.4	16.0	29.9
	Security/Safety	15.0	15.0	15.0	15.0	40.0	29.6	3.7	13.6	21.0	32.1	27.8	6.3	15.3	13.2	37.5
	Work Life	10.0	5.0	20.0	20.0	45.0	12.3	12.3	8.6	23.5	43.2	10.4	11.1	19.4	20.1	38.9
	Career development opportunities	0.0	5.0	5.0	25.0	65.0	11.1	2.5	13.6	14.8	58.0	6.3	6.3	11.1	17.4	59.0
	Performance recognition	5.0	5.0	15.0	10.0	65.0	4.9	8.6	23.5	30.9	32.1	11.1	11.8	26.4	14.6	36.1



The results further indicate that, for both *Attraction* and *Retention*, there is consistency in the top two preferences across the groups: *Career development* and *Remuneration*.

Table 41, describes the frequency distributions for retention. There was a high degree of consistency in the medians of *Attraction* and *Retention*, indicating a high degree of consistency within the groups. The distributions were largely negatively skewed.

**Table 41:** Statistical analysis summary: *Attraction and Retention*

		What is your year of birth?								
		1946 -1964			1965 - 1980			1981 - 2000		
		Mean	Median	Dev	Mean	Median	Dev	Mean	Median	Dev
Attraction	Remuneration	4.38	5.00	0.885	4.05	5.00	1.311	3.95	4.00	1.127
	Benefits	3.69	4.00	1.302	3.71	4.00	1.253	3.45	4.00	1.277
	Social support	4.00	4.50	1.317	3.07	3.00	1.619	3.01	3.00	1.649
	Security/Safety	3.69	4.00	1.537	3.15	4.00	1.647	3.07	3.00	1.639
	Work-life	4.19	5.00	1.167	3.58	4.00	1.508	3.52	4.00	1.312
	Career development opportunities	4.69	5.00	0.479	3.86	4.00	1.316	4.11	5.00	1.211
	Performance recognition	4.69	5.00	1.014	3.49	4.00	1.386	3.34	3.00	1.357
Retention	Remuneration	4.44	5.00	0.892	3.97	4.00	1.269	3.82	4.00	1.271
	Benefits	3.75	4.00	1.342	3.55	4.00	1.281	3.41	3.00	1.359
	Social support	4.06	4.00	1.124	3.12	3.00	1.509	3.06	3.00	1.617
	Security/Safety	3.81	4.50	1.471	3.22	4.00	1.644	3.23	4.00	1.664
	Work-life	4.06	5.00	1.389	3.74	4.00	1.482	3.66	4.00	1.358
	Career development opportunities	4.50	5.00	0.894	4.04	5.00	1.348	4.15	5.00	1.240
	Performance recognition	4.44	5.00	1.153	3.71	4.00	1.136	3.50	3.00	1.383

## PART II INFERENTIAL ANALYSIS

### 4.4. Associations between demographic characteristics and reward preferences

In this section, the Pearson chi-square test was used to investigate associations between demographic characteristics and the 30 reward elements. The chi-square test was used to find out if there were significant differences in reward preferences related to gender, race, relationship status, qualification, where a person was based, employment status, employer and province. The demographic data in the analysis (Table 42) were categorised by reward category, and only cases where there were significant differences, where the  $p$ -value was less than 0.05, are highlighted and included in the table below. When the  $p$ -value was greater than 0.05, these would be ignored, as there would be no significant differences and not highlighted in the table.

## RESULTS: QUANTITATIVE RESEARCH

**Table 42:** Demographic analysis: Pearson chi-square test

Total rewards element			Gender	Race	Relationship status	Qualification	Where you are based	Employment status	Employer	Province
1946–1964	13 <sup>th</sup> cheque	<b>Sig.</b>	.370 <sup>a</sup>	.004 <sup>a,b,*</sup>	.379 <sup>a,b</sup>	.766 <sup>a,b</sup>	.025 <sup>a,b,*</sup>	.555 <sup>a,b</sup>	.134 <sup>a,b</sup>	.653 <sup>a,b</sup>
1965–1980	13 <sup>th</sup> cheque	<b>Sig.</b>	.855 <sup>a</sup>	.897 <sup>a,b</sup>	.564 <sup>a,b</sup>	.939 <sup>a,b</sup>	.006 <sup>a,b,*</sup>	.197 <sup>a,b</sup>	.924 <sup>a,b</sup>	.647 <sup>a,b</sup>
1981–2000	13 <sup>th</sup> cheque	<b>Sig.</b>	0.05	.207 <sup>a,b</sup>	.788 <sup>a,b</sup>	.338 <sup>a,b</sup>	.964 <sup>a,b</sup>	.665 <sup>a,b</sup>	.721 <sup>a,b</sup>	.258 <sup>a,b</sup>
1946–1964	Short-term incentives	<b>Sig.</b>	.147 <sup>a,b</sup>	.018 <sup>a,b,*</sup>	.070 <sup>a,b</sup>	.380 <sup>a,b</sup>	.004 <sup>a,b,*</sup>	.536 <sup>a,b</sup>	.616 <sup>a,b</sup>	.137 <sup>a,b</sup>
1981–2000	Short-term incentives	<b>Sig.</b>	.206 <sup>a</sup>	.584 <sup>a,b</sup>	.533 <sup>a,b</sup>	.235 <sup>a,b</sup>	.008 <sup>a,b,*</sup>	.283 <sup>a,b</sup>	.181 <sup>a,b</sup>	.585 <sup>a,b</sup>
1946–1964	Long-term incentives	<b>Sig.</b>	.407 <sup>a,b</sup>	.744 <sup>a,b</sup>	.273 <sup>a,b</sup>	.208 <sup>a,b</sup>	.156 <sup>a,b</sup>	.745 <sup>a,b</sup>	.679 <sup>a,b</sup>	.012 <sup>a,b,*</sup>
1965–1980	Long-term incentives	<b>Sig.</b>	.878 <sup>a</sup>	.096 <sup>a,b</sup>	.329 <sup>a,b</sup>	.915 <sup>a,b</sup>	.114 <sup>a,b</sup>	.005 <sup>a,b,*</sup>	.005 <sup>a,b,*</sup>	.798 <sup>a,b</sup>
1946–1964	Share options	<b>Sig.</b>	.007 <sup>a,b,*</sup>	.827 <sup>a,b</sup>	.181 <sup>a,b</sup>	.845 <sup>a,b</sup>	.239 <sup>a,b</sup>	.639 <sup>a,b</sup>	.446 <sup>a,b</sup>	.027 <sup>a,b,*</sup>
1965–1980	Share options	<b>Sig.</b>	.499 <sup>a,b</sup>	.049 <sup>a,b,*</sup>	.139 <sup>a,b</sup>	.001 <sup>a,b,*</sup>	.744 <sup>a,b</sup>	.174 <sup>a,b</sup>	.051 <sup>a,b</sup>	.723 <sup>a,b</sup>
1965–1980	Higher base salary with limited bonus potential	<b>Sig.</b>	.377 <sup>a</sup>	.481 <sup>a,b</sup>	.208 <sup>a,b</sup>	.970 <sup>a,b</sup>	.057 <sup>a,b</sup>	.528 <sup>a,b</sup>	.653 <sup>a,b</sup>	.594 <sup>a,b</sup>
1946–1964	Lower base salary with unlimited bonus potential	<b>Sig.</b>	.352 <sup>a,b</sup>	.518 <sup>a,b</sup>	.010 <sup>a,b,*</sup>	.006 <sup>a,b,*</sup>	.775 <sup>a,b</sup>	.720 <sup>a,b</sup>	.215 <sup>a,b</sup>	.665 <sup>a,b</sup>
1981–2000	Lower base salary with unlimited bonus potential	<b>Sig.</b>	0.16	.657 <sup>a</sup>	.409 <sup>a,b</sup>	.623 <sup>a,b</sup>	.169 <sup>a,b</sup>	.545 <sup>a,b</sup>	.094 <sup>a,b</sup>	.143 <sup>a</sup>
1946–1964	Lump sum annual bonus payment	<b>Sig.</b>	.209 <sup>a,b</sup>	.094 <sup>a,b</sup>	.197 <sup>a,b</sup>	.577 <sup>a,b</sup>	.034 <sup>a,b,*</sup>	.720 <sup>a,b</sup>	.358 <sup>a,b</sup>	.012 <sup>a,b,*</sup>
1965–1980	Lump sum annual bonus payment	<b>Sig.</b>	.095 <sup>a,b</sup>	.082 <sup>a,b</sup>	.977 <sup>a,b</sup>	.125 <sup>a,b</sup>	.624 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.000 <sup>a,b,*</sup>	.823 <sup>a,b</sup>
1965–1980	Smaller bonus payments intermittently	<b>Sig.</b>	.640 <sup>a</sup>	.129 <sup>a,b</sup>	.539 <sup>a,b</sup>	.459 <sup>a,b</sup>	.030 <sup>a,b,*</sup>	.023 <sup>a,b,*</sup>	.746 <sup>a,b</sup>	.560 <sup>a,b</sup>
1981–2000	Smaller bonus payments intermittently	<b>Sig.</b>	0.05	.633 <sup>a,b</sup>	.341 <sup>a,b</sup>	.376 <sup>a,b</sup>	.042 <sup>a,b,*</sup>	.504 <sup>a,b</sup>	.128 <sup>a,b</sup>	.746 <sup>a,b</sup>
1965–1980	Medical aid	<b>Sig.</b>	.248 <sup>a,b</sup>	.721 <sup>a,b</sup>	.928 <sup>a,b</sup>	.004 <sup>a,b,*</sup>	.859 <sup>a,b</sup>	.996 <sup>a,b</sup>	.910 <sup>a,b</sup>	.976 <sup>a,b</sup>
1981–2000	Medical aid	<b>Sig.</b>	.067 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.854 <sup>a,b</sup>	.812 <sup>a,b</sup>	.078 <sup>a,b</sup>	.137 <sup>a,b</sup>	.138 <sup>a,b</sup>	.196 <sup>a,b</sup>
1965–1980	Retirement fund	<b>Sig.</b>	.084 <sup>a,b</sup>	.248 <sup>a,b</sup>	.997 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.984 <sup>a,b</sup>	.569 <sup>a,b</sup>	.965 <sup>a,b</sup>	.971 <sup>a,b</sup>
1981–2000	Retirement fund	<b>Sig.</b>	.234 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.782 <sup>a,b</sup>	.862 <sup>a,b</sup>	.563 <sup>a,b</sup>	.295 <sup>a,b</sup>	.300 <sup>a,b</sup>	.247 <sup>a,b</sup>
1981–2000	Leave	<b>Sig.</b>	.486 <sup>a,b</sup>	.123 <sup>a,b</sup>	.860 <sup>a,b</sup>	.924 <sup>a,b</sup>	.025 <sup>a,b,*</sup>	.606 <sup>a,b</sup>	.770 <sup>a,b</sup>	.439 <sup>a,b</sup>
1946–1964	Employee discounts	<b>Sig.</b>	.376 <sup>a,b</sup>	.076 <sup>a,b</sup>	.721 <sup>a,b</sup>	.715 <sup>a,b</sup>	.310 <sup>a,b</sup>	.834 <sup>a,b</sup>	.044 <sup>a,b,*</sup>	.439 <sup>a,b</sup>
1965–1980	Employee discounts	<b>Sig.</b>	.344 <sup>a</sup>	.034 <sup>a,b,*</sup>	.340 <sup>a,b</sup>	.110 <sup>a,b</sup>	.746 <sup>a,b</sup>	.069 <sup>a,b</sup>	.009 <sup>a,b,*</sup>	.594 <sup>a,b</sup>

## RESULTS: QUANTITATIVE RESEARCH

Total rewards element			Gender	Race	Relationship status	Qualification	Where you are based	Employment status	Employer	Province
1946–1964	Employee wellness offering	<b>Sig.</b>	.190 <sup>a,b</sup>	.021 <sup>a,b,*</sup>	.076 <sup>a,b</sup>	.309 <sup>a,b</sup>	.605 <sup>a,b</sup>	.639 <sup>a,b</sup>	.189 <sup>a,b</sup>	.564 <sup>a,b</sup>
1965–1980	Employee wellness offering	<b>Sig.</b>	.323 <sup>a</sup>	.749 <sup>a,b</sup>	.552 <sup>a,b</sup>	.510 <sup>a,b</sup>	.943 <sup>a,b</sup>	.063 <sup>a,b</sup>	.043 <sup>a,b,*</sup>	.626 <sup>a,b</sup>
1965–1980	Sabbaticals or other scheduled time reductions	<b>Sig.</b>	.185 <sup>a</sup>	.559 <sup>a,b</sup>	.580 <sup>a,b</sup>	.144 <sup>a,b</sup>	.802 <sup>a,b</sup>	.013 <sup>a,b,*</sup>	.064 <sup>a,b</sup>	.807 <sup>a,b</sup>
1981–2000	Sabbaticals or other scheduled time reductions	<b>Sig.</b>	.488 <sup>a</sup>	.370 <sup>a,b</sup>	.653 <sup>a,b</sup>	.636 <sup>a,b</sup>	.228 <sup>a,b</sup>	.101 <sup>a,b</sup>	.056 <sup>a,b</sup>	.035 <sup>a,b,*</sup>
1965–1980	Non-financial rewards	<b>Sig.</b>	.663 <sup>a</sup>	.454 <sup>a,b</sup>	.783 <sup>a,b</sup>	.646 <sup>a,b</sup>	.292 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.041 <sup>a,b,*</sup>	.426 <sup>a,b</sup>
1981–2000	Non-financial rewards	<b>Sig.</b>	.213 <sup>a</sup>	.070 <sup>a,b</sup>	.008 <sup>a,b,*</sup>	.059 <sup>a,b</sup>	.237 <sup>a,b</sup>	.006 <sup>a,b,*</sup>	.051 <sup>a,b</sup>	.266 <sup>a,b</sup>
1965–1980	Formal recognition	<b>Sig.</b>	.779 <sup>a,b</sup>	.054 <sup>a,b</sup>	.052 <sup>a,b</sup>	.222 <sup>a,b</sup>	.931 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.934 <sup>a,b</sup>	.885 <sup>a,b</sup>
1981–2000	Formal recognition	<b>Sig.</b>	.329 <sup>a</sup>	.062 <sup>a,b</sup>	.006 <sup>a,b,*</sup>	.853 <sup>a,b</sup>	.978 <sup>a,b</sup>	.764 <sup>a,b</sup>	.701 <sup>a,b</sup>	.295 <sup>a,b</sup>
1946–1964	Informal recognition	<b>Sig.</b>	.692 <sup>a</sup>	.034 <sup>a,b,*</sup>	.120 <sup>a,b</sup>	.169 <sup>a,b</sup>	.320 <sup>a,b</sup>	.157 <sup>a,b</sup>	.647 <sup>a,b</sup>	.073 <sup>a,b</sup>
1965–1980	Informal recognition	<b>Sig.</b>	.376 <sup>a,b</sup>	.358 <sup>a,b</sup>	.632 <sup>a,b</sup>	.069 <sup>a,b</sup>	.971 <sup>a,b</sup>	.008 <sup>a,b,*</sup>	.296 <sup>a,b</sup>	.399 <sup>a,b</sup>
1965–1980	Learning and development opportunities	<b>Sig.</b>	.699 <sup>a</sup>	.002 <sup>a,b,*</sup>	.639 <sup>a,b</sup>	.604 <sup>a,b</sup>	.423 <sup>a,b</sup>	.756 <sup>a,b</sup>	.268 <sup>a,b</sup>	.739 <sup>a,b</sup>
1946–1964	Experience working in different organisations to maximise career progression	<b>Sig.</b>	.050 <sup>a,b,*</sup>	.738 <sup>a,b</sup>	.574 <sup>a,b</sup>	.206 <sup>a,b</sup>	.604 <sup>a,b</sup>	.266 <sup>a,b</sup>	.139 <sup>a,b</sup>	.174 <sup>a,b</sup>
1965–1980	Experience working in different organisations to maximise career progression	<b>Sig.</b>	.214 <sup>a,b</sup>	.026 <sup>a,b,*</sup>	.680 <sup>a,b</sup>	.009 <sup>a,b,*</sup>	.804 <sup>a,b</sup>	.907 <sup>a,b</sup>	.959 <sup>a,b</sup>	.797 <sup>a,b</sup>
1981–2000	Experience working in different organisations to maximise career earnings potential	<b>Sig.</b>	.754 <sup>a,b</sup>	.395 <sup>a,b</sup>	.584 <sup>a,b</sup>	.463 <sup>a,b</sup>	.018 <sup>a,b,*</sup>	.484 <sup>a,b</sup>	.337 <sup>a,b</sup>	.661 <sup>a,b</sup>
1946–1964	Formal coaching or mentoring programmes	<b>Sig.</b>	.087 <sup>a,b</sup>	.865 <sup>a,b</sup>	.641 <sup>a,b</sup>	.079 <sup>a,b</sup>	.400 <sup>a,b</sup>	.063 <sup>a,b</sup>	.057 <sup>a,b</sup>	.811 <sup>a,b</sup>
1965–1980	Formal coaching or mentoring programmes	<b>Sig.</b>	.903 <sup>a,b</sup>	.044 <sup>a,b,*</sup>	.467 <sup>a,b</sup>	.020 <sup>a,b,*</sup>	.043 <sup>a,b,*</sup>	.709 <sup>a,b</sup>	.856 <sup>a,b</sup>	.829 <sup>a,b</sup>
1946–1964	Corporate social responsibility	<b>Sig.</b>	.053 <sup>a,b</sup>	.874 <sup>a,b</sup>	.538 <sup>a,b</sup>	.254 <sup>a,b</sup>	.422 <sup>a,b</sup>	.372 <sup>a,b</sup>	.916 <sup>a,b</sup>	.811 <sup>a,b</sup>
1965–1980	Corporate social responsibility	<b>Sig.</b>	.334 <sup>a</sup>	.485 <sup>a,b</sup>	.754 <sup>a,b</sup>	.715 <sup>a,b</sup>	.589 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.497 <sup>a,b</sup>	.879 <sup>a,b</sup>
1965–1980	Longer-term job security (> 12 months)	<b>Sig.</b>	.661 <sup>a,b</sup>	.260 <sup>a,b</sup>	.757 <sup>a,b</sup>	.977 <sup>a,b</sup>	.993 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.880 <sup>a,b</sup>	.988 <sup>a,b</sup>

## RESULTS: QUANTITATIVE RESEARCH

Total rewards element			Gender	Race	Relationship status	Qualification	Where you are based	Employment status	Employer	Province
1981–2000	Longer-term job security (> 12 months)	<b>Sig.</b>	.551 <sup>a,b</sup>	.559 <sup>a,b</sup>	.996 <sup>a,b</sup>	.805 <sup>a,b</sup>	.481 <sup>a,b</sup>	.550 <sup>a,b</sup>	.536 <sup>a,b</sup>	.016 <sup>a,b,*</sup>
1946–1964	Safe and secure work environment	<b>Sig.</b>	.036 <sup>a,b,*</sup>	.016 <sup>a,b,*</sup>	.703 <sup>a,b</sup>	.438 <sup>a,b</sup>	.144 <sup>a,b</sup>	.691 <sup>a,b</sup>	.836 <sup>a,b</sup>	.715 <sup>a,b</sup>
1965–1980	Safe and secure work environment	<b>Sig.</b>	.289 <sup>a,b</sup>	.394 <sup>a,b</sup>	.998 <sup>a,b</sup>	1.000 <sup>a,b</sup>	.988 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.960 <sup>a,b</sup>	.964 <sup>a,b</sup>
1981–2000	Safe and secure work environment	<b>Sig.</b>	.478 <sup>a,b</sup>	.518 <sup>a,b</sup>	.992 <sup>a,b</sup>	.575 <sup>a,b</sup>	.126 <sup>a,b</sup>	.249 <sup>a,b</sup>	.068 <sup>a,b</sup>	.008 <sup>a,b,*</sup>
1946–1964	Supportive management	<b>Sig.</b>	.364 <sup>a,b</sup>	.094 <sup>a,b</sup>	.231 <sup>a,b</sup>	.768 <sup>a,b</sup>	.039 <sup>a,b,*</sup>	.282 <sup>a,b</sup>	.427 <sup>a,b</sup>	.303 <sup>a,b</sup>
1965–1980	Supportive management	<b>Sig.</b>	.013 <sup>a,b,*</sup>	.084 <sup>a,b</sup>	.251 <sup>a,b</sup>	.988 <sup>a,b</sup>	.999 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.773 <sup>a,b</sup>	.839 <sup>a,b</sup>
1981–2000	Supportive management	<b>Sig.</b>	.501 <sup>a,b</sup>	.964 <sup>a,b</sup>	.984 <sup>a,b</sup>	.915 <sup>a,b</sup>	.821 <sup>a,b</sup>	.589 <sup>a,b</sup>	.401 <sup>a,b</sup>	.036 <sup>a,b,*</sup>
1965–1980	Supportive work environment	<b>Sig.</b>	.320 <sup>a</sup>	.377 <sup>a,b</sup>	.153 <sup>a,b</sup>	.926 <sup>a,b</sup>	.826 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.000 <sup>a,b,*</sup>	.818 <sup>a,b</sup>
1981–2000	Supportive work environment	<b>Sig.</b>	.708 <sup>a,b</sup>	.843 <sup>a,b</sup>	.777 <sup>a,b</sup>	.813 <sup>a,b</sup>	.798 <sup>a,b</sup>	.665 <sup>a,b</sup>	.521 <sup>a,b</sup>	.048 <sup>a,b,*</sup>
1946–1964	Resources	<b>Sig.</b>	.931 <sup>a</sup>	.844 <sup>a</sup>	.570 <sup>a,b</sup>	.902 <sup>a,b</sup>	.577 <sup>a</sup>	.544 <sup>a,b</sup>	.858 <sup>a</sup>	.059 <sup>a,b</sup>
1965–1980	Resources	<b>Sig.</b>	.446 <sup>a,b</sup>	.510 <sup>a,b</sup>	.563 <sup>a,b</sup>	.779 <sup>a,b</sup>	.974 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.811 <sup>a,b</sup>	.465 <sup>a,b</sup>
1981–2000	Resources	<b>Sig.</b>	.551 <sup>a,b</sup>	.038 <sup>a,b,*</sup>	.928 <sup>a,b</sup>	.503 <sup>a,b</sup>	.269 <sup>a,b</sup>	.268 <sup>a,b</sup>	.208 <sup>a,b</sup>	.005 <sup>a,b,*</sup>

Results are based on non-empty rows and columns in each innermost sub-table.

\*. The chi-square statistic is significant at the .05 level.

- More than 20% of cells in this sub-table have expected cell counts of less than 5. Chi-square results may be invalid.
- The minimum expected cell count in this sub table is less than 1. Chi-square results may be invalid.

Upon initial analysis of the results, it appeared that all the significant values were invalid. This was because more than 20% of the cells in the contingency tables had expected cell counts of less than 5. Within the groups where there were fewer than five responses of either *Not important at all* to *Very important* received, this created invalid cases.

## RESULTS: QUANTITATIVE RESEARCH

On advice of the statistician, where possible, the demographic groups were grouped together to increase the values. The demographic data were included in the analysis below, due to the significance thereof to the study, and included *Gender*, *Race*, and *Relationship status*. Only cases where there were significant differences were included.

To increase the values for *Race*, two groups were created, aligned to the South African employment equity (EE) categories, i.e. *Previously disadvantaged* (black African, Indian, Coloured, and Chinese respondents) and *Previously advantaged* (white respondents). For *relationship status*, only the results for *Single*, *never married* and *Married* (as described at the beginning of this chapter) were included. For *Gender*, the groups were not consolidated, and remained *Male* and *Female*. Where significant differences were identified, these are discussed.

Table 43, provides a summary of the results for the three demographic characteristics, described above, for which significant differences between the age groups were identified. The larger the chi-square value was, the greater the probability of a significant difference was.

Significant differences related to **Gender** were found for the following rewards elements: *Share options*, *Smaller bonus payments intermittently*, *Experience working in different organisations to maximise career progression*, *CSR*, *Safe and secure work environment*, and *Supportive management*.

Significant differences related to **Race** were identified for the rewards elements *13<sup>th</sup> cheque*, *Short-term incentives*, *Share options*, *Medical aid*, *Retirement fund*, *Employee discounts*, *Employee wellness offering*, *Formal recognition*, *Informal recognition*, *Learning and development opportunities*, *Experience working in different organisations to maximise career progression*, *Formal coaching or mentoring programmes*, *Safe and secure work environment*, and *Resources*.

There were no significant differences according to race regarding *Short-term incentives* for the groups born 1981–2000 and 1965–1980. The significant difference for the group born 1946–1964 was due to the difference in the results for *Not important*,

## RESULTS: QUANTITATIVE RESEARCH

*Somewhat important*, and *Neutral* between the *Previously advantaged* and *Previously disadvantaged* groups.

Significant differences related to *Relationship status* were identified for the elements *Lower base salary with unlimited bonus potential*, *Non-financial rewards*, and *Formal recognition*.

**Table 43:** Demographic analysis: Pearson chi-square test: Significant difference

Year of birth	Total rewards element		Gender	Race	Relationship status
1946–1964	13 <sup>th</sup> cheque	<b>Sig.</b>	.370 <sup>a</sup>	.004 <sup>a,b,*</sup>	.379 <sup>a,b</sup>
1946–1964	Short-term incentives	<b>Sig.</b>	.147 <sup>a,b</sup>	.018 <sup>a,b,*</sup>	.070 <sup>a,b</sup>
1946–1964	Share options	<b>Sig.</b>	.007 <sup>a,b,*</sup>	.827 <sup>a,b</sup>	.181 <sup>a,b</sup>
1965–1980	Share options	<b>Sig.</b>	.499 <sup>a,b</sup>	.049 <sup>a,b,*</sup>	.139 <sup>a,b</sup>
1946–1964	Lower base salary with unlimited bonus potential	<b>Sig.</b>	.352 <sup>a,b</sup>	.518 <sup>a,b</sup>	.010 <sup>a,b,*</sup>
1981–2000	Smaller bonus payments intermittently	<b>Sig.</b>	0.052	.633 <sup>a,b</sup>	.341 <sup>a,b</sup>
1981–2000	Medical aid	<b>Sig.</b>	.067 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.854 <sup>a,b</sup>
1981–2000	Retirement fund	<b>Sig.</b>	.234 <sup>a,b</sup>	.000 <sup>a,b,*</sup>	.782 <sup>a,b</sup>
1965–1980	Employee discounts	<b>Sig.</b>	.344 <sup>a</sup>	.034 <sup>a,b,*</sup>	.340 <sup>a,b</sup>
1946–1964	Employee wellness offering	<b>Sig.</b>	.190 <sup>a,b</sup>	.021 <sup>a,b,*</sup>	.076 <sup>a,b</sup>
1981–2000	Non-financial rewards	<b>Sig.</b>	.213 <sup>a</sup>	.070 <sup>a,b</sup>	.008 <sup>a,b,*</sup>
1965–1980	Formal recognition	<b>Sig.</b>	.779 <sup>a,b</sup>	.054 <sup>a,b</sup>	.052 <sup>a,b</sup>
1981–2000	Formal recognition	<b>Sig.</b>	.329 <sup>a</sup>	.062 <sup>a,b</sup>	.006 <sup>a,b,*</sup>
1946–1964	Informal recognition	<b>Sig.</b>	.692 <sup>a</sup>	.034 <sup>a,b,*</sup>	.120 <sup>a,b</sup>
1965–1980	Learning and development opportunities	<b>Sig.</b>	.699 <sup>a</sup>	.002 <sup>a,b,*</sup>	.639 <sup>a,b</sup>

## RESULTS: QUANTITATIVE RESEARCH

Year of birth	Total rewards element		Gender	Race	Relationship status
1946–1964	Experience working in different organisations to maximise career progression	<b>Sig.</b>	.050 <sup>a,b,*</sup>	.738 <sup>a,b</sup>	.574 <sup>a,b</sup>
1965–1980	Experience working in different organisations to maximise career progression	<b>Sig.</b>	.214 <sup>a,b</sup>	.026 <sup>a,b,*</sup>	.680 <sup>a,b</sup>
1965–1980	Formal coaching or mentoring programmes	<b>Sig.</b>	.903 <sup>a,b</sup>	.044 <sup>a,b,*</sup>	.467 <sup>a,b</sup>
1946–1964	Corporate social responsibility	<b>Sig.</b>	.053 <sup>a,b</sup>	.874 <sup>a,b</sup>	.538 <sup>a,b</sup>
1946–1964	Safe and secure work environment	<b>Sig.</b>	.036 <sup>a,b,*</sup>	.016 <sup>a,b,*</sup>	.703 <sup>a,b</sup>
1965–1980	Supportive management	<b>Sig.</b>	.013 <sup>a,b,*</sup>	.084 <sup>a,b</sup>	.251 <sup>a,b</sup>
1981–2000	Supportive management	<b>Sig.</b>	.501 <sup>a,b</sup>	.964 <sup>a,b</sup>	.984 <sup>a,b</sup>
1981–2000	Resources	<b>Sig.</b>	.551 <sup>a,b</sup>	.038 <sup>a,b,*</sup>	.928 <sup>a,b</sup>

Results are based on non-empty rows and columns in each innermost sub-table.

\*. The chi-square statistic is significant at the .05 level.

- a. More than 20% of cells in this sub-table had expected cell counts of less than 5. Chi-square results may be invalid.
- b. The minimum expected cell count in this sub-table was less than 1. Chi-square results may be invalid.

### Conclusion

Significant differences related to **Gender** were found for the following rewards elements: *Share options, Smaller bonus payments intermittently, Experience working in different organisations to maximise career progression, CSR, Safe and secure work environment, and Supportive management.*

Significant differences related to **Race** were identified for the rewards elements: *13<sup>th</sup> cheque, Short-term incentives, Share options, Medical aid, Retirement fund, Employee discounts, Employee wellness offering, Formal recognition, Informal recognition, Learning and development opportunities, Experience working in different organisations to maximise career progression, Formal coaching or mentoring programmes, Safe and secure work environment, and Resources.*

## RESULTS: QUANTITATIVE RESEARCH

Significant differences related to ***Relationship status*** were identified for the elements: *Lower base salary with unlimited bonus potential, Non-financial rewards, and Formal recognition.*

The next section will present the findings related to the hypotheses.

### 4.5. Study hypotheses

The hypotheses of the present study were:

1. **H<sub>0</sub>1**: There is no association between the reward categories (e.g., remuneration, benefits, performance recognition, etc.) that attract people to organisations and the generation to which they belong.
2. **H<sub>a</sub>1**: There is an association between the reward categories that attract people to organisations and the generation to which they belong.
3. **H<sub>0</sub>2**: There is no association between the reward categories that retain people in organisations and the generation to which they belong.
4. **H<sub>a</sub>2**: There is an association between the reward categories that retain people in organisations and the generation to which they belong.

The researcher tested evidence from the sample that either supported the hypothesis (H<sub>0</sub>) or rejected it and supported the alternative hypothesis, (H<sub>a</sub>).

A non-parametric test was used to verify the equality of variances in the sample (homogeneity of variance) —  $p > 0.05$  (Nordstokke & Zumbo, 2010). The Kruskal-Wallis test, a nonparametric test, was performed to test the null hypotheses because the assumption of the chi-square test that none of the cells of the contingency table should have an expected frequency of less than 5 was violated. Variables were grouped by year of birth.

The significance level of the chi-square value (i.e. probability) being  $>0.05$  indicated that there was no statistically significant association between the variables, and that the null hypothesis was not rejected. This indicated that there was no significant difference in a reward element between the youth and previous generations.

$$H_0 > 0.05 = H_0$$



## RESULTS: QUANTITATIVE RESEARCH

The significance level being  $<0.05$  indicated that there was a statistically significant difference in a reward element between the youth and the previous generations. This indicated that there was a significant difference in the rewards preferences between the youth and previous generations.

$$H_0 < 0.05 = H_a$$

### 4.5.1. Hypothesis testing results for *Attraction*

Of the 30 elements, ten showed a significant difference between the youth generation and the previous generations. The alternative hypotheses for these elements were correct (Table 44); however, because for more than 50% of elements the null hypotheses were not rejected, the overall finding was that, for *Attraction*, the youth have **rewards preferences more or less similar to those of previous generations.**

*Leave* proved to be more important to youths than to previous generations. Furthermore, the youth value *Employee discounts* more than what previous generations do. The results for *Higher base salary with limited bonus potential* and *Lower base salary with unlimited bonus potential* indicated that the youth do not value these two components.

From the findings, although it appears that *Career development* is important to all age groups, it is more important to youths than to older generations. The results for *Career/Growth opportunities*, *Learning and development*, *Experience working in different organisations to maximise career growth* and *Experience working in different organisations to maximise career earnings potential*. The preference of youths regarding *Long-term job security* and a *Safe work environment* is different to that of older generations. Table 44 shows the results of hypotheses testing using the Kruskal-Wallis test.

## RESULTS: QUANTITATIVE RESEARCH

**Table 44:** Hypothesis test summary for *Attraction*

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Remuneration i.e. Salary / Pay is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.386	Retain the null hypothesis.
2	The distribution of 13th Cheque is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.670	Retain the null hypothesis.
3	The distribution of Short Term Cash Incentives/bonuses is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.254	Retain the null hypothesis.
4	The distribution of Long Term Incentives is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.062	Retain the null hypothesis.
5	The distribution of Share Options is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.412	Retain the null hypothesis.
6	The distribution of Higher base salary with limited bonus potential is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.011	Reject the null hypothesis.
7	The distribution of Lower base salary with unlimited bonus potential is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.038	Reject the null hypothesis.
8	The distribution of Lump sum annual bonus payment is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.550	Retain the null hypothesis.
9	The distribution of Smaller bonuses intermittently is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.479	Retain the null hypothesis.
10	The distribution of Medical Aid Options is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.125	Retain the null hypothesis.

## RESULTS: QUANTITATIVE RESEARCH

11	The distribution of Retirement Fund is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.397	Retain the null hypothesis.
12	The distribution of Leave Benefits is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.000	Reject the null hypothesis.
13	The distribution of Employee discounts is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.001	Reject the null hypothesis.
14	The distribution of Employee Wellness Offering (Employee Assistance Programme (EAP), Wellness Centre, Gym, Cr&#232;che Facilities etc.) is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.148	Retain the null hypothesis.
15	The distribution of Sabbaticals, or other scheduled time reductions is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.606	Retain the null hypothesis.
16	The distribution of Non-financial rewards is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.390	Retain the null hypothesis.
17	The distribution of Formal Recognition is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.157	Retain the null hypothesis.
18	The distribution of Informal Recognition is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.533	Retain the null hypothesis.
19	The distribution of Learning and development opportunities is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.023	Reject the null hypothesis.
20	The distribution of Career/Growth Opportunities is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.014	Reject the null hypothesis.
21	The distribution of Experience of working in different organisations to maximise career progression is the same across categories of What is your year of birth?	Independent-Samples Kruskal-Wallis Test	.001	Reject the null hypothesis.

## RESULTS: QUANTITATIVE RESEARCH

22	The distribution of Experience of working in different organisations to maximise career earnings potential #26514 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.000	Reject the null hypothesis.
23	The distribution of Formal Coaching or Mentoring Programmes #25938 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.217	Retain the null hypothesis.
24	The distribution of Flexible work arrangements #25940 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.159	Retain the null hypothesis.
25	The distribution of Corporate Social Responsibility Opportunities #25941 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.662	Retain the null hypothesis.
26	The distribution of Longer term job security (&gt;12 months) #25942 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.001	Reject the null hypothesis.
27	The distribution of Safe and secure work environment #25943 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.004	Reject the null hypothesis.
28	The distribution of Supportive management #25944 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.425	Retain the null hypothesis.
29	The distribution of Supportive work environment #25945 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.466	Retain the null hypothesis.
30	The distribution of Resources #25946 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.865	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

#### 4.5.2. Hypothesis testing results for *Retention*

The result of the 30 elements tested was that four showed a significant difference, and their null hypotheses were rejected (Table 45). The overall finding is that, for *Retention*, youths have **rewards preferences more or less similar to those of previous generations.**

Where the null hypotheses were rejected, the results differed in terms of the youths' views on *Smaller bonuses intermittently*. They value *Employee discounts* more than previous generations do. The results for *Experience working in different organisations to maximise career growth* and *Experience working in different organisations to maximise career earnings potential*.

**Table 45:** Hypothesis test summary for *Retention*

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Remuneration i.e. Salary / Pay #26069 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.588	Retain the null hypothesis.
2	The distribution of 13th Cheque #26070 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.611	Retain the null hypothesis.
3	The distribution of Short Term Cash Incentives/bonuses #26071 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.620	Retain the null hypothesis.
4	The distribution of Long Term Incentives #26072 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.765	Retain the null hypothesis.
5	The distribution of Share Options #26073 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.110	Retain the null hypothesis.
6	The distribution of Higher base salary with limited bonus potential #26074 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.069	Retain the null hypothesis.



## RESULTS: QUANTITATIVE RESEARCH

7	The distribution of Lower base salary with unlimited bonus potential #26075 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.061	Retain the null hypothesis.
8	The distribution of Lump sum annual bonus payment #26076 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.566	Retain the null hypothesis.
9	The distribution of Smaller bonuses intermittently #26077 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.006	Reject the null hypothesis.
10	The distribution of Medical Aid Options #26078 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.967	Retain the null hypothesis.
11	The distribution of Retirement Fund #26079 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.848	Retain the null hypothesis.
12	The distribution of Leave Benefits #26080 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.408	Retain the null hypothesis.
13	The distribution of Employee discounts #26081 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.027	Reject the null hypothesis.
14	The distribution of Employee Wellness Offering (Employee Assistance Programme (EAP), Wellness Centre, Gym, Cr&amp; #232;che Facilities etc.) #26082 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.578	Retain the null hypothesis.
15	The distribution of Sabbaticals, or other scheduled time reductions #26083 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.946	Retain the null hypothesis.
16	The distribution of Non-financial rewards #26084 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.486	Retain the null hypothesis.
17	The distribution of Formal Recognition #26085 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.108	Retain the null hypothesis.

## RESULTS: QUANTITATIVE RESEARCH

18	The distribution of Informal Recognition #26086 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.342	Retain the null hypothesis.
19	The distribution of Learning and development opportunities #26087 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.199	Retain the null hypothesis.
20	The distribution of Career/Growth Opportunities #26088 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.570	Retain the null hypothesis.
21	The distribution of Experience of working in different organisations to maximise career progression #26089 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.009	Reject the null hypothesis.
22	The distribution of Experience of working in different organisations to maximise career earnings potential #26090 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.007	Reject the null hypothesis.
23	The distribution of Formal Coaching or Mentoring Programmes #26091 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.207	Retain the null hypothesis.
24	The distribution of Flexible work arrangements #26092 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.636	Retain the null hypothesis.
25	The distribution of Corporate Social Responsibility Opportunities #26093 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.105	Retain the null hypothesis.
26	The distribution of Longer term job security (&gt;12 months) #26094 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.523	Retain the null hypothesis.
27	The distribution of Safe and secure work environment #26095 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.478	Retain the null hypothesis.
28	The distribution of Supportive management #26096 is the same across categories of What is your year of birth?.	Independent-Samples Kruskal-Wallis Test	.103	Retain the null hypothesis.

The hypotheses testing presented above were validated in Phase II.

## RESULTS: QUANTITATIVE RESEARCH

### Conclusion

For *Attraction*, the youth value *Leave*, *Employee discounts*, *Long-term job security*, and a *Safe work environment*, reward elements more than the previous generations.

For *Retention*, the youth have rewards preferences more or less similar to those of previous generations but they value *Employee discounts* more than previous generations do.

Factor analysis was then done, using SPSS, to determine the common factors among the observed correlated variables.

### 4.6. Factor analysis

Factor analysis is a method of data reduction that seeks underlying, unobservable (latent) variables reflected in the observed variables (manifest variables). Factor analysis is used to summarise data so that relationships and patterns can easily be interpreted and understood (Yong & Pearce, 2013). Based on the scores, factor analysis looks at the similarities and differences between the scores observed, the variable of interest of the objects are then grouped into clusters with others with similar scores (Diamantopoulos & Schlegelmilch, 2000).

In the present study, EFA was used to uncover complex patterns by exploring the dataset and testing predictions (Child, 2006). To discover the number of factors influencing variables and to analyse which variables 'go together' (DeCoster, 1998). Only the group born 1981–2000 was analysed for similarities between the scores observed for attraction and retention. A report was generated, seeking groupings of the variables (elements) that highly correlated with each other.

The next section presents the factor analysis results for attraction and then retention for the group born 1981–2000.

#### 4.6.1. Factor analysis for *Attraction*

Of all 30 variables, nine components were extracted from the data, which explained 67.493% of the variability in the data (Table 46).



## RESULTS: QUANTITATIVE RESEARCH

**Table 46:** Factor analysis for *Attraction*: Respondents born 1981–2000

Variance explained <sup>a</sup>						
Component	Initial eigenvalues			Rotation sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	6.713	22.375	22.375	4.717	15.723	15.723
2	2.796	9.319	31.694	2.645	8.817	24.540
3	2.414	8.046	39.740	2.135	7.118	31.659
4	1.908	6.360	46.100	2.087	6.955	38.614
5	1.611	5.370	51.470	1.995	6.652	45.266
6	1.336	4.453	55.923	1.885	6.283	51.548
7	1.218	4.060	59.983	1.704	5.679	57.227
8	1.156	3.853	63.837	1.619	5.398	62.625
9	1.097	3.657	67.493	1.460	4.868	67.493

Extraction method: Principal component analysis

The results of the factor analysis are component factors, which comprised variables that were highly correlated, suggesting an interdependence of the components. Each factor is presented in Table 47.

**Table 47:** Factor analysis for *Attraction* by rotated component group

Rotated component group	Component								
	1	2	3	4	5	6	7	8	9
Supportive work environment	.889								
Supportive management	.846								
Resources	.773								
Safe and secure work environ	.711								
Career/Growth opportunities	.614								
Learning and development opportunities	.558								
Longer-term job security (> 12 months)	.558								
Salary/Pay	.534						.403		

## RESULTS: QUANTITATIVE RESEARCH

Rotated component group	Component								
	1	2	3	4	5	6	7	8	9
Flexible work arrangements	.489								
Retirement fund		.856							
Medical aid		.836							
Leave		.686							
Long-term incentives			.794						
Share options			.770						
Short-term incentives			.570						
Formal coaching or mentoring programmes				.727					
Experience working in different organisations to maximise career progression				.652					
Experience working in different organisations to maximise career earnings potential				.586					
CSR				.477					
Employee discounts					.750				
Sabbaticals or other scheduled time reductions					.743				
Employee wellness offering		.425			.591				
Non-financial rewards						.791			
Informal recognition						.784			
Lump sum annual bonus payment							.815		
Formal recognition							.581		
Higher base salary with limited bonus potential								.704	
13 <sup>th</sup> cheque				.413				.554	
Smaller bonuses payments intermittently									.789
Lower base salary with unlimited bonus potential									.725
Extraction method: Principal component analysis									
Rotation method: Varimax with Kaiser normalization									

## RESULTS: QUANTITATIVE RESEARCH

Rotated component group	Component								
	1	2	3	4	5	6	7	8	9
a. Rotation converged in 8 iterations.									
b. Only cases for which “ <i>What is your year of birth?</i> ” = 1981–2000 were used in the analysis									

The groups in Table 48, were created based on the components where the variables within the components were more alike, suggesting an interdependence of the components of each factor. These groups represent the clustering of the Total Rewards Framework for the Youth, based on the preferences of the youths, where the variables within the groups were rated more alike. These were grouped into nine descriptive labels by component presented in Table 48.

One of the limitations of the factor analysis technique is that naming the factors can be problematic (Yong & Pearce, 2013). Factor names may not accurately reflect the variables within the factor. The researcher has tried to overcome this with descriptive labels, which best represent the variables within the components and considering the WorldatWork (2015) total rewards model labelling based on similarity of the variables.

Further, some variables are difficult to interpret because they may load onto more than one factor, which is known as split loadings. A split loading is when an item loads at .32 or higher on two or more factors (Costello & Osborne, 2011). These variables may correlate with each another to produce a factor despite having little underlying meaning for the factor (Tabachnick & Fidell, 2007). The researcher has in the presentation of the results in Table 46 and Figure 34, included all the variables including split loadings, presenting the various options of groups for consideration. In the final total rewards model for the youth, variables, which appeared in two or more components, were selected for the component to which they were highly correlated suggesting an interdependence of the components of the factor presented (Yong & Pearce, 2013).

**Table 48:** Factor analysis for attraction by rewards component

Component	Descriptive label	Rotated component group
1	<b>Social support, development and environment</b>	<ul style="list-style-type: none"> <li>• Supportive work environment</li> <li>• Supportive management</li> <li>• Resources</li> <li>• Safe and secure work environment</li> <li>• Career/Growth opportunities</li> <li>• Learning and development</li> <li>• Longer-term job security (&gt; 12 months)</li> <li>• Salary/Pay</li> <li>• Flexible work arrangements</li> </ul>
2	<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Retirement fund</li> <li>• Medical aid</li> <li>• Leave</li> <li>• Employee wellness offering</li> </ul>
3	<b>Performance incentives</b>	<ul style="list-style-type: none"> <li>• Long-term incentives</li> <li>• Share options</li> <li>• Short-term incentives</li> </ul>
4	<b>Career- and individual development</b>	<ul style="list-style-type: none"> <li>• Formal coaching or mentoring programmes</li> <li>• Experience working in different organisations to maximise career progression</li> <li>• Experience working in different organisations to maximise career earnings potential</li> <li>• CSR</li> <li>• 13<sup>th</sup> cheque</li> </ul>
5	<b>Work–life</b>	<ul style="list-style-type: none"> <li>• Employee discounts</li> <li>• Sabbaticals or other scheduled time reductions</li> <li>• Employee wellness offering</li> </ul>

## RESULTS: QUANTITATIVE RESEARCH

6	<b>Informal recognition</b>	<ul style="list-style-type: none"> <li>• Non-financial rewards</li> <li>• Informal recognition</li> </ul>
7	<b>Remuneration and formal recognition</b>	<ul style="list-style-type: none"> <li>• Lump sum annual bonus payment</li> <li>• Formal recognition</li> <li>• Salary/Pay</li> </ul>
8	<b>Traditional remuneration</b>	<ul style="list-style-type: none"> <li>• Higher base salary with limited bonus potential</li> <li>• 13<sup>th</sup> cheque</li> </ul>
9	<b>Non-traditional remuneration</b>	<ul style="list-style-type: none"> <li>• Smaller bonus payments intermittently</li> <li>• Lower base salary with unlimited bonus potential</li> </ul>

### 4.6.2. Factor analysis for *Retention*

Of all 30 variables for retention, eight components were extracted, which explained 73.876% of the variability in the data (Table 49).

**Table 49:** Factor analysis for *Retention*: Respondents born 1981–2000

<b>Total Variance Explained<sup>a</sup></b>			
<b>Component</b>	<b>Rotation Sums of Squared Loadings</b>		
	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>
<b>1</b>	4.409	14.696	14.696
<b>2</b>	3.298	10.994	25.690
<b>3</b>	2.851	9.503	35.193
<b>4</b>	2.608	8.692	43.886
<b>5</b>	2.337	7.789	51.675
<b>6</b>	2.303	7.675	59.350
<b>7</b>	2.206	7.354	66.704
<b>8</b>	2.152	7.172	73.876
Extraction Method: Principal Component Analysis.			
a. Only cases for which <i>What is your year of birth?</i> = 1981–2000 were used in the analysis phase.			

## RESULTS: QUANTITATIVE RESEARCH

The groups in Table 50 were created based on the extracted components where the variables within the components were more alike, suggesting an interdependence of the components of each factor. These groups represent the clustering for retention of the Total Rewards Framework for the Youth based on the factor analysis outcomes (Figure 34), where the variables within the groups were rated more alike. Variables, which appeared in two or more components, were selected for the component to which they were highly correlated suggesting an interdependence of the components of the factor presented (Yong & Pearce, 2013).

**Table 50:** Factor analysis for *Retention* by rotated component group

Rotated component group	Component							
	1	2	3	4	5	6	7	8
Supportive work environment	.855							
Supportive management	.847							
Resources	.810							
Safe and secure work environment	.785							
Longer term job security (>12 months)	.769							
Lower base salary with unlimited bonus potential		.823						
Smaller bonuses intermittently		.682						
Higher base salary with limited bonus potential		.635						
Lump sum annual bonus payment		.633						
13th Cheque		.588						
Salary/Pay		.436						.401
Medical aid			.795					
Retirement fund			.766					
Leave			.689					
Employee wellness offering			.407	.718				
CSR				.707				
Employee discounts			.416	.666				
Flexible work arrangements	.409			.478		.408		

## RESULTS: QUANTITATIVE RESEARCH

Rotated component group	Component							
	1	2	3	4	5	6	7	8
Informal recognition					.895			
Non-financial rewards					.805			
Formal recognition			.420		.534			
Career/Growth opportunities						.848		
Learning and development opportunities						.773		
Formal coaching or mentoring programmes				.421		.514		
Long term incentives							.647	
Sabbaticals, or other scheduled time reductions				.507			.643	
Share options		.440					.636	
Short term incentives							.592	
Experience of working in different organisations to maximise career earnings potential								.882
Experience of working in different organisations to maximise career progression								.850
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.								
a. Rotation converged in 11 iterations.								
b. Only cases for which <i>What is your year of birth?</i> = 1981–2000 were used in the analysis phase.								

Table 51 shows the 8 rotated components for retention based on the preferences of the group born 1981–2000.

**Table 51:** Factor analysis for *Retention* by rewards component

Component	Descriptive label	Rotated component group
1	<b>Social support and environment</b>	<ul style="list-style-type: none"> <li>• Supportive work environment</li> <li>• Supportive management</li> <li>• Resources</li> <li>• Safe and secure work environment</li> <li>• Longer-term job security (&gt; 12 months)</li> <li>• Flexible work arrangements</li> </ul>
2	<b>Variable and guaranteed remuneration</b>	<ul style="list-style-type: none"> <li>• Lower base salary with unlimited bonus potential</li> <li>• Smaller bonus payments intermittently</li> <li>• Higher base salary with limited bonus potential</li> <li>• Lump sum annual bonus payment</li> <li>• 13<sup>th</sup> cheque</li> <li>• Salary/Pay</li> <li>• Share options</li> </ul>
3	<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Medical aid</li> <li>• Retirement fund</li> <li>• Leave</li> <li>• Employee wellness</li> <li>• Employee discounts</li> <li>• Formal recognition</li> </ul>
4	<b>Work-life</b>	<ul style="list-style-type: none"> <li>• Employee wellness offering</li> <li>• CSR</li> <li>• Employee discounts</li> <li>• Flexible work arrangements</li> <li>• Formal coaching or mentoring programmes</li> <li>• Sabbaticals or other scheduled time reductions</li> </ul>
5	<b>Recognition</b>	<ul style="list-style-type: none"> <li>• Informal recognition</li> <li>• Non-financial rewards</li> <li>• Formal recognition</li> </ul>



## RESULTS: QUANTITATIVE RESEARCH

6	<b>Career development</b>	<ul style="list-style-type: none"> <li>• Flexible work arrangements</li> <li>• Career/Growth opportunities</li> <li>• Learning and development</li> <li>• Formal coaching or mentoring programmes</li> </ul>
7	<b>Performance incentives</b>	<ul style="list-style-type: none"> <li>• Long-term incentives</li> <li>• Sabbaticals or other scheduled time reductions</li> <li>• Share options</li> <li>• Short-term incentives</li> </ul>
8	<b>Individual development</b>	<ul style="list-style-type: none"> <li>• Salary/Pay</li> <li>• Experience working in different organisations to maximise career earnings potential</li> <li>• Experience working in different organisations to maximise career progression</li> </ul>

### 4.7. Reliability

The results of the Cronbach alpha coefficient of reliability or consistency for *Attraction* and *Retention* are discussed below, including the rank order of both. The internal consistency of the questionnaire items was measured to determine their reliability.

For *Attraction*, there were 238 valid cases and 21 excluded cases, because of missing values; for *Retention*, there were 240 valid cases and 19 excluded cases. Table 52 shows the case-processing summary.

**Table 52:** Case processing summary: *Attraction and Retention* — 30 items

		N	%
<b>Cases</b> <i>Attraction</i>	Valid	238	91.9
	Excluded <sup>a</sup>	21	8.1
	Total	259	100.0
<b>Cases</b> <i>Retention</i>	Valid	240	92.7
	Excluded <sup>a</sup>	19	7.3
	Total	259	100.0
<sup>a</sup> Listwise deletion, based on all variables in the procedure			

## RESULTS: QUANTITATIVE RESEARCH

A Cronbach's alpha value of 0.7 is considered good, and, therefore, the results of 0.827 for *Attraction* and 0.915 for *Retention* for the 30 items, as shown in Table 53, were deemed a good result, as these indicated a high degree of the reliability and consistency of the questionnaire items. The questionnaire therefore tested what it was designed to test.

**Table 53:** Reliability statistics: *Attraction* and *Retention* — 30 items

	Cronbach's alpha	N of items
<b>Attraction</b>	.827	30
<b>Retention</b>	.915	30

For *Attraction*, on the ranking order scale, there were 242 valid cases and 17 excluded cases; for *Retention*, there were 245 valid cases and 14 excluded cases. Table 54 shows the case-processing summary for the data related to factor analysis.

**Table 54:** Case processing summary: Ranking

		N	%
<b>Cases</b> <b><i>Attraction</i></b>	Valid	242	93.4
	Excluded <sup>a</sup>	17	6.6
	Total	259	100.0
<b>Cases</b> <b><i>Retention</i></b>	Valid	245	94.6
	Excluded <sup>a</sup>	14	5.4
	Total	259	100.0
<sup>a</sup> Listwise deletion, based on all variables in the procedure			

A Cronbach alpha value of 0.816 for the seven items for *Attraction* suggested that the items had a relatively high internal consistency; the same applies for the value of 0.823 for *Retention*. These results indicated a high degree of reliability and consistency. Table 55 provides the reliability statistics.

## RESULTS: QUANTITATIVE RESEARCH

**Table 55:** Reliability statistics: Ranking order

Reliability Statistics		
	Cronbach Alpha	N of Items
<b>Attraction</b>	0.816	7
<b>Retention</b>	0.823	7

Factor analysis was performed to determine the factor structure of the instrument for the 30 components of total rewards, to identify the extent of change in the components. The analysis showed that all factors correlated highly. Estimates of Cronbach alpha coefficients were then calculated to determine their reliability. The results are provided in Table 56. The result of 0.750–0.518 for the first seven components was deemed a good result, as it indicated a high degree of reliability. The results of 0.400 and 0.307 were not deemed good results, as these indicated the degree of variability within the group, which was attributed to the low percentage results and the low number of items within the component.

**Table 56:** Factor analysis: Cronbach alpha

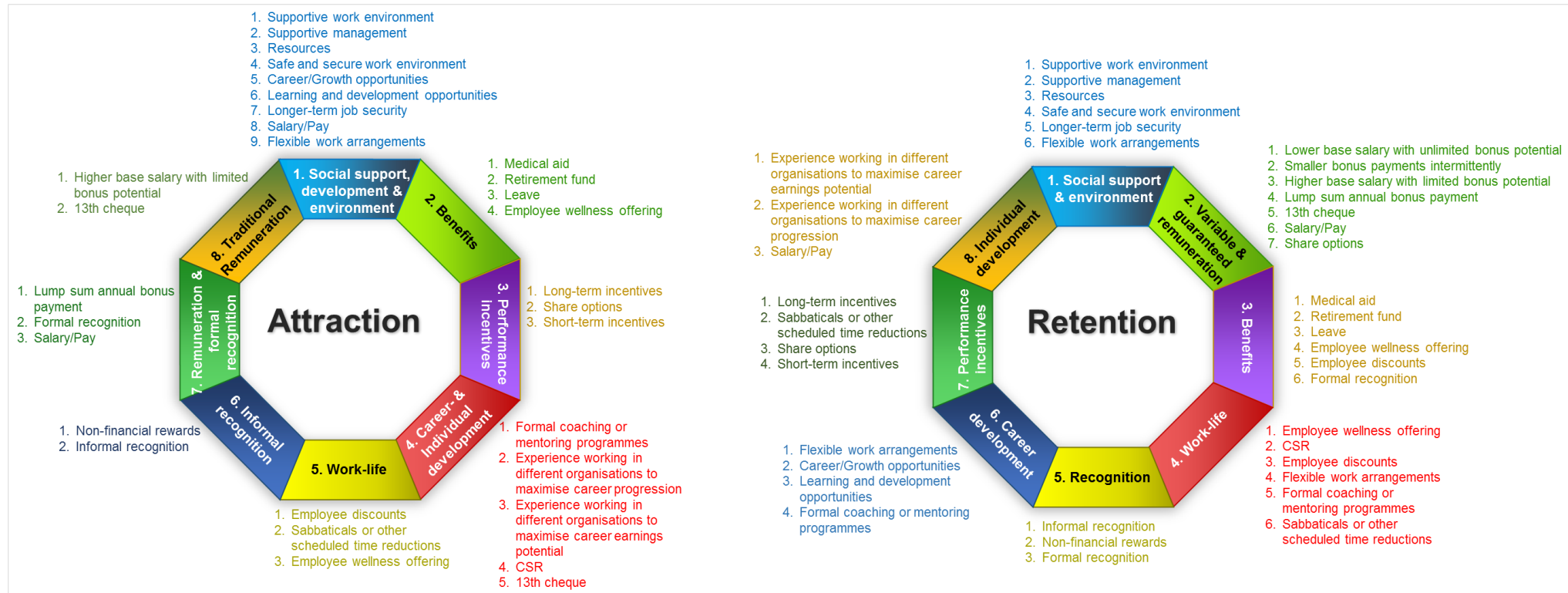
#	Component label	Number of items	Valid cases	%	Excluded cases	%	Cronbach alpha	Reliability
<b>1</b>	Social support, development and environment	9	142	95.9	6	4.1	0.750	High reliability
<b>2</b>	Benefits	4	147	99.3	1	0.7	0.721	High reliability
<b>3</b>	Performance incentives	3	147	99.3	1	0.7	0.632	Reliable
<b>4</b>	Career- and individual development	5	144	97.3	4	2.7	0.701	High reliability
<b>5</b>	Work–life	3	147	99.3	1	0.7	0.670	High reliability
<b>6</b>	Informal recognition	2	146	98.6	2	1.4	0.661	Reliable
<b>7</b>	Remuneration and formal recognition	2	147	99.3	1	0.7	0.518	Reliable

### 4.8. Total rewards framework for the youth

In this section, the results of the frequency analysis and those of factor analysis are integrated. The eight common components and associated variables are used to predict what reward factors attract and retain the youth more effectively. Figure 34, describes the top eight preferences for attraction and retention for the group, 1981–2000 based on the results of the factor analysis.

Figure 34, presents the factor analysis results by rated component group for *Attraction* and *Retention*. For *Attraction*, the first component, was similar for *Retention*. From the second to the eighth components, the priorities and preferences differed for *Attraction* and *Retention*.

## RESULTS: QUANTITATIVE RESEARCH

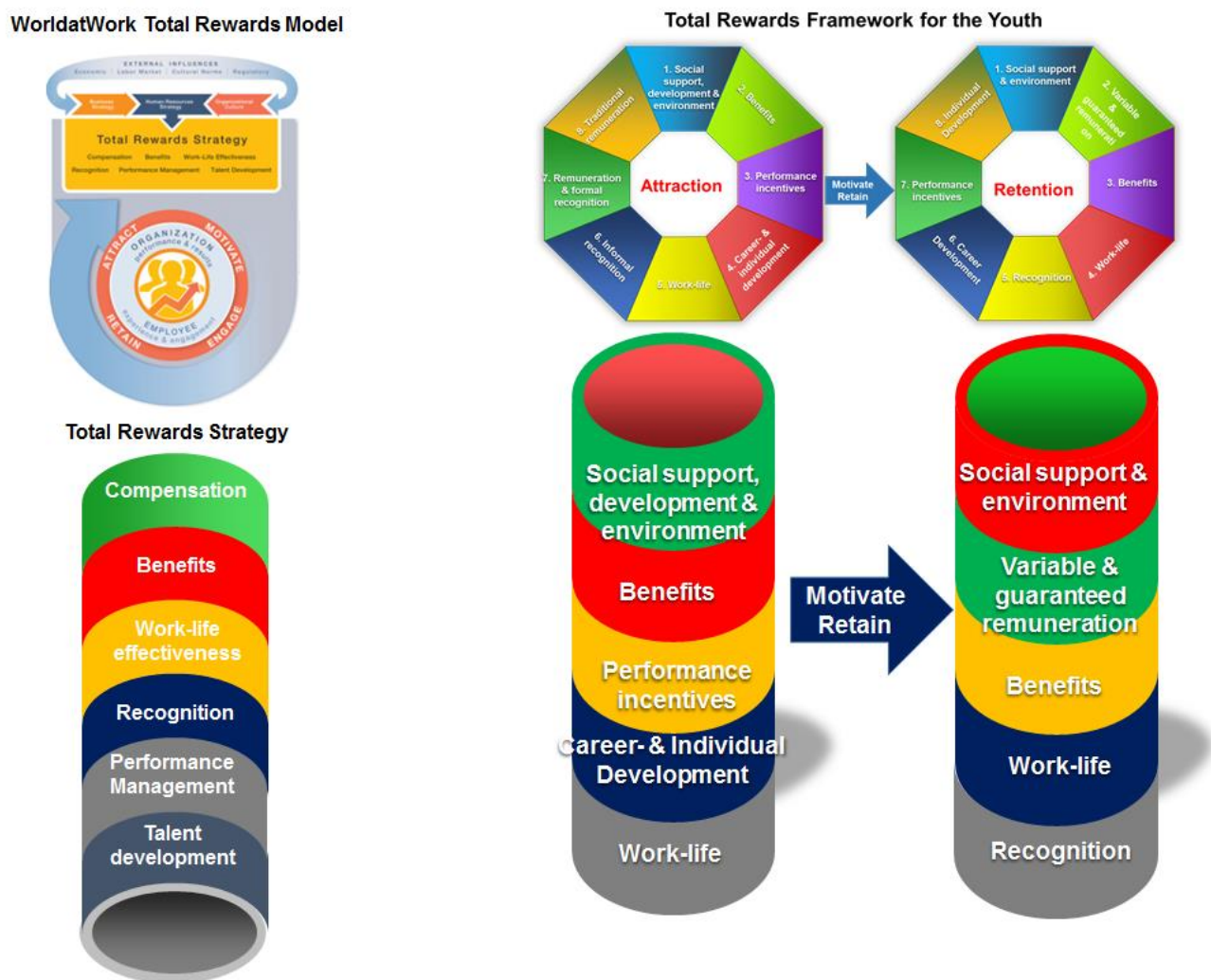


**Figure 34:** Factor analysis: Top 8 reward preferences for *Attraction* and *Retention* of the youth

#### 4.8.1. Evaluation of the WorldatWork total rewards

Figure 35, is a presentation of the WorldatWork (2015) total rewards model compared to the outcome of the factor analysis total rewards framework for the youth. The reward categories of the WorldatWork (2015) model prioritises compensation, benefits, work-life, performance and recognition, development and career opportunities. Based on the study results (Figure 35), this is different from the top 5 preferences of the youth, which differs between attraction and retention.

For *Attraction*, the youth preferences were, (1) *Social support, development and environment*, (2) *Benefits*, (3) *Performance incentives*, (4) *Career and individual development*, and (5) *Work-life*. For *Retention*, the preferences were (1) *Social support and environment* — the same as for *Attraction*, (2) *Variable and guaranteed remuneration*, (3) *Benefits*, (4) *Work-life*, and (5) *Recognition*.



**Figure 35:** WorldatWork Total Rewards Model and Youth Total Reward Framework

Source: WorldatWork (2015)

## RESULTS: QUANTITATIVE RESEARCH

The limitation identified is that the WorldatWork (2015) Total Rewards Model does not prioritise the preferences for the youth group; the reward categories is considered applicable to all three generations currently in the workforce. Today's workplace consists of three generations: Baby Boomers, Generation X, and Generation Y. Furthermore, the WorldatWork (2015) Total Rewards Model does not distinguish between reward preferences for attraction and retention.

### 4.8.2. Ranking the reward factors

#### 4.8.2.1. Attraction

**Factor analysis** extracted 9 reward preferences for *Attraction*. The **Ranking** of the reward factors determined in this study through factor analysis is, (1) *Social support and environment*, (2) *Benefits*, (3) *Performance incentives*, (4) *Career- and individual development*, (5) *Work-life*, (6) *Informal recognition*, (7) *Remuneration and formal recognition*, (8) *Traditional remuneration*, and (9) *Non-traditional remuneration*.

The youth reward preferences identified from the results of **Frequency analysis** for *Attraction* of the youth to organisations (in section 4.3.1.) in order of importance were: (1) *Career development*, (2) *Benefits*, (3) *Remuneration and Safety/Security*, (4) *Resources*, (5) *Social support*, (6) *Safety/Security*, and (7) *Career development and Work-life*

This implies that the most important reward preferences for the youth, in order of importance are: (1) *Social support, development and environment* (2) *Benefits*, and (3) *Performance incentives*.

#### 4.8.2.2. Retention

**Factor analysis** extracted 8 reward preferences for retention. The **Ranking** of the reward factors determined in this study through factor analysis is, (1) *Social support & environment*, (2) *Variable and guaranteed remuneration*, (3) *Benefits*, (4) *Work-life*, (5) *Recognition*, (6) *Career development*, (7) *Performance incentives*, and (8) *Individual development*.

## RESULTS: QUANTITATIVE RESEARCH

The youth reward preferences identified from the results of **Frequency analysis** for retention of the youth in organisations (in section 4.3.2, figure 30) in order of importance were, (1) *Career development*, (2) *Social support*, (3) *Resources and Work-life*, (4) *Safety/Security*, (6) *Benefits and Remuneration*, and (7) *Safety/Security and Benefits*.

This implies that the most important reward preferences for retention of the youth, in order of importance, are: (1) *Social support and environment*, (2) *Variable and guaranteed remuneration*, and (3) *Benefits*.

### 4.9. Conclusion

Attracting and retaining high-performing employees are imperative for organisational success. This chapter summarised the research findings of Phase I, providing insights into the preferences of respondents, particularly employees born 1981–2000.

Some associations between reward preferences and demographic characteristics were found for gender, race and relationship status.

For **Gender**, the reward preferences were *Share options*, *Smaller bonus payments intermittently*, *Experience working in different organisations to maximise career progression*, *CSR*, *Safe/secure work environment*, and *Supportive management*.

For **Race**, they were: *13<sup>th</sup> cheque*, *Short-term incentives*, *Share options*, *Medical aid*, *Retirement fund*, *Employee discounts*, *Employee wellness offering*, *Formal recognition*, *Informal recognition*, *Learning and development opportunities*, *Experience working in different organisations to maximise career progression*, *Formal coaching or mentoring programmes*, *Safe/secure work environment*, and *Resources*.

For **Relationship status**, they were: *Lower base salary with unlimited bonus potential*, *Non-financial rewards*, and *Formal recognition*.

For **Attraction**, the youth value *Leave*, *Employee discounts*, *Long-term job security*, and a *Safe/secure work environment* more than the previous generations. The most



## RESULTS: QUANTITATIVE RESEARCH

important reward preferences for the youth, in order of importance, are: (1) *Social support, development and environment* (2) *Benefits*, and (3) *Performance incentives*.

For ***Retention***, youth have rewards preferences more or less similar to those of previous generations, but they value *Employee discounts* more than previous generations do. The most important reward preferences for retention of the youth, in order of importance are: ((1) *Social support and environment*, (2) *Variable and guaranteed remuneration*, and (3) *Benefits*.

It was found that the youth's preferences can be grouped into nine descriptive labels for *Attraction*, namely *Social support, development and environment*, *Benefits*, *Performance incentives*, *Career and individual development*, *Work-life*, *Informal recognition*, *Remuneration and formal recognition*, and *Traditional and Non-traditional remuneration*. For *Retention* grouped into eight descriptive labels, namely: *Social support and environment*, *Variable and guaranteed remuneration*, *Benefits*, *Work-life*, *Recognition*, *Career development*, *Performance incentives*, and then *Individual development*.

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The next chapter presents the findings from the qualitative phase of the research.

## CHAPTER 5

### RESULTS: QUALITATIVE RESEARCH

#### 5.1. Introduction

Qualitative data work well alongside quantitative data. Qualitative results provide in-depth views, meaning, and experiences. This chapter presents the findings from Phase II of the research, which helped to validate the findings from Phase I, providing in-depth understanding of the topic at hand (Lee, 1999).

This chapter is structured similarly to Chapter 4, beginning with a summary of the methodology described in Chapter 3, followed by the qualitative findings by total rewards category and then the elements for attraction and retention. The chapter concludes with a summary of the findings regarding attraction and retention and a newly developed total rewards framework, provided in Section 5.6, and a conclusion in Section 5.7.

#### 5.2. Background

The methodology described in Chapter 3 was applied in the 11 interviews, which were conducted over a period of four weeks. The researcher solicited participants from the institutions where the quantitative research had been conducted. The researcher interviewed representatives of two groups, namely (1) five youths and (2) eight HR practitioners. The latter group consisted of three HRGs and five HR specialists (comprising two recruitment specialists, one remuneration specialist, and two OD specialists). Of the 11 interviewees, eight were from the sample who had completed the questionnaire in Phase I.

#### 5.3. Qualitative findings

The report on the qualitative findings begins with a review of the demographic profile of the interviewees by group. The researcher thereafter presents the findings for the various interviewee groups by total rewards category and element, and describes the

## RESULTS: QUALITATIVE RESEARCH

views on each of these. The narrative presenting the findings begins with the researcher specifying the category and codes classified under each category, wherein emerging codes were also noted. The researcher then presents the frequency of the codes, and describes what was found within each code by interviewees group, summarising the participants' responses for each code, to corroborate the findings. More detailed interview responses, including relevant extracts by group for each code, are provided in [Appendix C](#).

### **5.3.1. Section A: Demographics**

The findings related to the demographics from Phase I of the quantitative findings were presented as part of the interview process, to provide the interviewees with an overview of the respondents' and groups' views, to solicit their views in this regard. The participants during this process shared their demographic information with the researcher, which is described next.

#### **5.3.1.1. Youths**

Five youth participants (born between 1981 and 2000) were interviewed, with the eldest interviewee born in 1981 and the youngest born in 1990. The race- and gender profiles of the interviewees were diverse: four women and one man represented the black African (2), Coloured (2), and white race (1) groups. The Indian race group was not represented, this could imply a possible limitation of the present study in terms of racial representation. When compared to data from Statistics South Africa (2013), of the population of South Africa 48.2% were men and 51.7% women. This implies a possible limitation of the present study in terms of gender representation.

The interviewees' fields of study were diverse; these included social sciences, commerce, organisational psychology, humanities, business management, and law. The interviewees were all from the Gauteng province, representing both the public and private sectors. Of those interviewed, four were living on their own and one was living with parents. Three were married and two were single or had never been married. Their years' experience ranged from two weeks to 14 years.

## RESULTS: QUALITATIVE RESEARCH

### **5.3.1.2. HR generalists (HRGs)**

Interviews were conducted with three HRGs. Of these, two were executive managers who had been in various roles in HR for the past 20 to 25 years. They were interviewed in person. The third interview was telephonic, and was conducted with a senior HR manager who had been in HR for the past 15 years. The third interviewee was concerned about confidentiality, having shared confidential information on her organisation during the interview. The researcher confirmed that confidentiality would be upheld, and that the results would be sanitised.

A group of HR specialists were also interviewed. Their fields of specialisation were as follows:

#### **5.3.1.2.1. Recruitment specialists**

One recruitment specialist was a talent acquisition (TA) specialist, and the other was a director of a recruitment agency that recruited for clients across different industries. The second interviewee was able to share information about youths in various industries.

#### **5.3.1.2.2. Remuneration specialist**

The remuneration specialist interviewed had over 35 years' remuneration experience and a deep understanding of the field, which he shared of during the interview.

#### **5.3.1.2.3. OD specialists**

Of the OD specialists, one was an executive manager, and the other was a senior manager. They both had more than 14 years' experience in the field.

All the interviewees were relaxed during the interviews, and openly responded to the questions posed. They shared many thoughts and experiences with the researcher, and allowed the researcher the opportunity to probe and clarify their statements. Most of the interviews took place at their place of employment, and the rest took place at a convenient venue requested by the interviewee. The duration of the interviews ranged from 20 to 60 minutes, and the interviewer was satisfied with the outcome.

### 5.3.2. Section B: Total rewards options

This section presents a summary of the participants' responses based on trends (the overall pattern or tendency of responses across groups), similarities, and differences in each of the categories and elements by group (youths and then HR practitioners), providing unbiased, in-depth, valid, reliable, credible, and rigorous findings by category (Anderson, 2010).

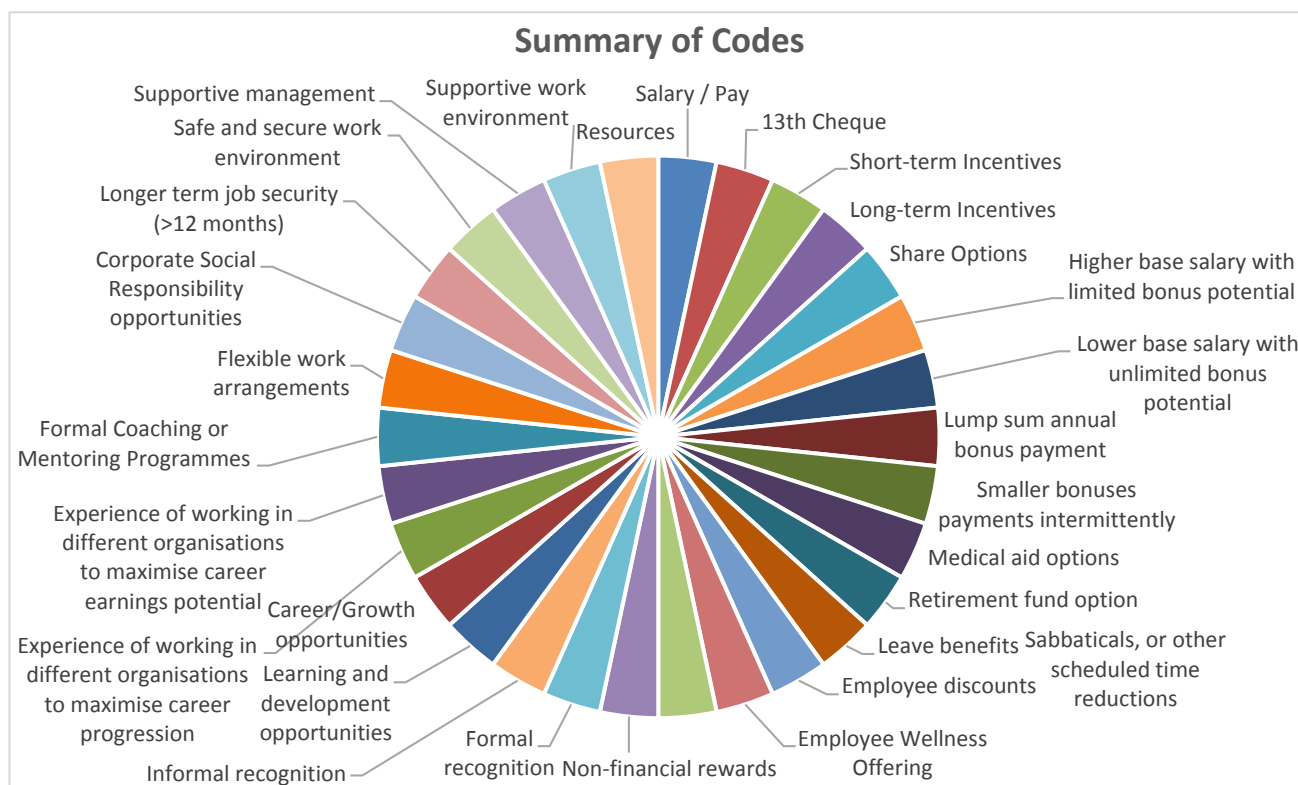
Throughout this section, the findings are presented by categories and elements grouped in this order, under headings with the name of the reward category.

Contradictory evidence, also known as *deviant cases*, were identified, examined, and accounted for in the analysis, ensuring that researcher bias did not influence the findings (Anderson, 2010). Constant comparison was conducted, which enabled the researcher to identify emerging/unanticipated themes.

Presenting the qualitative results required that the researcher validate the findings with verbatim responses (see Appendix C). Including large portions of an interview in the research paper was not deemed necessary, and would have resulted in this chapter being tedious for the reader. The researcher selected quotes by reward category that are poignant and/or most representative of the research findings (Anderson, 2010). These direct quotations from the interviews have been included in Appendix C by category and element.

## RESULTS: QUALITATIVE RESEARCH

Figure 36 provides an illustration of the final codes, specifying the characteristics that were evaluated, which are independent of each other (Lee, 1999).



**Figure 36 :** Summary of codes

### 5.3.2.1. Life- and career-stage models

The codes that emerged in this category included *Qualification* and *Years' experience*. These codes, combined, were mentioned 21 times.

#### ***Youths' responses***

The researcher asked the youths: ***In your view, should organisations consider life stages when designing total reward options?***

Four of the five youth participants (80%) recognised that life stages do have an impact on their employment decisions and their views on reward options. The codes that emerged from the conversations were *Qualification* and *Years' experience*.

One of the five youth participants recognised that her life had changed, and, with the changes in her personal circumstances, her priorities and the importance she placed on her pay had also changed.

## RESULTS: QUALITATIVE RESEARCH

*Availability to travel* was linked to life stages. Based on the responses, the participants who had families were not as eager to travel as before.

*Medical aid* was also linked to life stage. One participant stated, “*It is very important, especially now that I have a family...*”

### ***HR practitioners’ responses***

The question the researcher posed to the HR practitioners was: ***Does your organisation consider life-stage modelling in its total rewards offering?***

The response from two of the three HRG participants was that they did not consider life-stage modelling, and one of the interviewees felt this was a very progressive way of viewing rewards. The third interviewee was from the sales industry, and her company did consider life stages. The importance of flexible work arrangements was also linked to life stages, with HRGs stating that this becomes important for the youth when “*Moms with kids are looking for more flexibility.*”

The two recruitment specialist participants did not mention life stages.

The response from the remuneration specialist was that life stages are applicable to all employees, which they do take into consideration as an organisation when creating their total rewards.

### **5.3.2.2. Remuneration**

Included in this category were the codes *Salary/Pay*, *13<sup>th</sup> cheque*, *Short-term incentives*, *Long-term incentives*, *Share options*, and codes related to frequency of payments and structure of pay. The emerging codes were *Qualifications* and *Work experience*. Combined, these codes were mentioned 158 times.

#### 5.3.2.2.1. Salary/Pay

##### ***Youths' responses***

The question asked of the five youths was: ***When thinking of joining a company, what are the most important elements for you?***

Two of the five youth participants, representing 40% of the group, believed that salary was important. For the other two participants, representing another 40% of the group, pay was the most important factor. One participant representing 20% of the group said, *"For me, personally, environment is the most important — leadership and culture, and then pay."*

##### ***HR practitioners' responses***

The question asked of the HRGs and specialists was: ***Do employees, when joining your company, place significant importance on pay?***

The view of one of the three HRGs (an executive manager) was that pay is not the most important consideration for employees, and that career development seems to be more important. Two of the three HRGs' view was that pay does feature high, probably the number one factor, with young talent, and that it is seen as very important by the youth.

One of the two recruitment specialists shared the view that youths place a high importance on pay, and that it is their primary concern during the recruitment process.

The next question was: ***Do employees turn down offers from your organisation due to pay?***

The response from the HR practitioners was that employees do turn down offers due to pay. This group of HR practitioners noted that youths view pay as very important.

The view of one of the two OD specialists was that youths regard pay as important, but, with that, flexibility, innovation, and leadership are critical. The second OD specialist confirmed that leadership is more important than pay to the youth.



### 5.3.2.2.2. 13<sup>th</sup> cheque

A 13<sup>th</sup> cheque was also referred to as a service- or year-end bonus.

#### ***Youths' responses***

The question asked of the youths was: ***If you had to receive an employment offer today and the company did not offer you a 13<sup>th</sup> cheque, would that prevent you from leaving your employer?***

Of the five youths, three (60%) received a 13<sup>th</sup> cheque, and did not view this as either an attractor or a retainer. One youth viewed a 13<sup>th</sup> cheque as a savings tool for the end of the year. One youth who did not receive a 13<sup>th</sup> cheque would have appreciated one, whereas another, who did receive a 13<sup>th</sup> cheque, stated that it was not important.

#### ***HR practitioners' responses***

The question posed was: ***What importance or unimportance do you find employees place on a 13<sup>th</sup> cheque?***

All three HRGs' responses confirmed that most employees structure a 13<sup>th</sup> cheque into their monthly package. One HRG believed that the reason for this was: *"...because employees believe they must live for now."*

One of the two recruitment specialist found that, when interviewing applicants, there was a lot of interest in a 13<sup>th</sup> cheque. The other recruitment specialist found that there was not much interest in a 13<sup>th</sup> cheque. The view of this recruitment specialist was that, where a 13<sup>th</sup> cheque is built into the package, it would probably become redundant. The first recruitment specialists stated that, at her company, the 13<sup>th</sup> cheque was incorporated into the monthly package, and the second stated that most of the companies she represented did the same.

The remuneration specialist responded that, where a 13<sup>th</sup> cheque was offered, 98% of employees opted to have it incorporated into their monthly package. His view was that some employees did not do so when they joined, but then later changed their option. His view was that a 13<sup>th</sup> cheque is an important option for employees.

## RESULTS: QUALITATIVE RESEARCH

One of the two OD specialists' experience was that employees do stay because of the 13<sup>th</sup> cheque, but they prefer an incentive bonus.

### **5.3.2.2.3. Short-term incentives**

*Pay for performance, Performance-based pay, Performance-based incentives, and Short-term planning* also emerged from the data.

#### ***Youths' responses***

The question posed to the youths in this category was: ***What importance or unimportance do you place on short-term incentives?***

Of the five youth participants, four (80%) received an incentive bonus; the intern was unsure if she would be receiving an incentive bonus. Two of the five youth participants, (40%) did not understand the criteria for receiving a short-term incentive, but recognised that it was linked to performance. Once the researcher provided an explanation of short-term incentives, all the youths were in favour thereof.

The view was also shared by the youth participants that, while it would act as an attractor and motivate them to join a company, they had not enquired about short-term incentives when they joined their current organisations.

#### ***HR practitioners' responses***

The question posed was: ***What importance or unimportance do you find employees place on short-term incentives?***

All three HRGs' companies offered an incentive bonus. At one HRG's company, short-term incentives did act as a retaining factor, as employees could earn up to 140% of their annual salary. The second HRG had determined, based on feedback from employees and managers during internal focus group sessions held at her company, that their employees wanted performance-based incentives (linked to sales) as a team, as well as individual bonuses.

## RESULTS: QUALITATIVE RESEARCH

One of the two recruitment specialist participants was of the view that employees do not enquire about incentives when they are being interviewed, and only enquire about it once they begin working. This participant confirmed that pay is more important than incentives during the recruitment process.

The view of the second recruitment specialist was that short-term incentives are not enough to retain young employees, and that they would prefer a higher salary: *“More money. They leave their permanent positions for contract positions because they want to earn more money. They want work–life balance, more money, medical aid, and retirement.”*

The response from the remuneration specialist was that short-term incentives are *“lucrative and does keep youth employees from leaving the organisation.”*

Both OD specialists held the view that youths value an incentive bonus. One interviewee stated, *“It motivates and encourages them to perform well.”*

### 5.3.2.2.4. Long-term incentives

#### ***Youths’ responses***

The question posed in this section was: ***What importance or unimportance do you place on long-term incentives?***

The youth participants did not qualify for long-term incentives, and did not fully understand the concept. Once an explanation of long-term incentives was provided, one participant (20%) agreed that it would make her stay with a company, while four (80%) of the participants felt that it would not. One participant responded: *“Not for me. I would not want a long-term bonus. It would not retain me or motivate me. It's too long to wait; at some point, I might forget that it's coming.”*

#### ***HR practitioners’ responses***

The question posed in this section was: ***What importance or unimportance do you find employees place on long-term incentives?***

## RESULTS: QUALITATIVE RESEARCH

Two of the three HRGs confirmed that youths do not qualify for long-term incentives, which are by invitation and usually reserved for senior management. One HRG said, *“The youth are not for long-term incentives or short-term incentives... If they were given an option, they would not want a retirement fund.”*

This code was not mentioned by the two recruitment specialists as a consideration in attraction and retention of the youth, as, in their experience, youths do not qualify for long-term incentives.

According to the remuneration specialist, long-term incentives were offered only to a few select executives and those with critical skills.

Of the two OD specialists, the first responded that employees are encouraged by long-term incentives, and work hard to be recognised and nominated to receive these. The second OD specialist stated, *“Long-term incentives support the company’s retention strategies...”*

### **5.3.2.2.5. Share options**

The interviewer assessed the interest in shares and if it would motivate the youth to stay with a company if they owned a part of the organisation.

#### ***Youths’ responses***

Participants were asked: ***In terms of retention, employees born 1981 to 2000 scored highest regarding the importance of share options. What is your opinion on this?***

Two (40%) of the five youths agreed with the statement, and would be interested in receiving shares, but they did not see it as a motivator. Two (40%) of the five youths indicated that shares act as a retention factor, and would make them stay with the organisation. One (20%) of the five youths felt that shares are a nice-to-have, but would not act as a retention factor, depending on the amount.

## RESULTS: QUALITATIVE RESEARCH

### ***HR practitioners' responses***

The question posed to the HR practitioners was: ***What importance or unimportance do you find employees place on shares?*** The second question asked was: ***Do you offer your employees share options?*** The final question was: ***Are employees asking for share options?***

The three HRGs stated that their companies did not offer shares, because they were not listed entities. They could therefore not comment on shares attracting or retaining youths, or on the views of youths in this regard.

The recruitment specialist stated that prospective employees do not ask about share options. The remuneration specialist's company was not listed, and therefore did not offer shares, but offered gain share for operations, paid quarterly. It was the participants' experience that the gain shares offered to employees retained them.

The OD executive confirmed that the company did not offer employees share options, because it was not a listed company.

### **5.3.2.2.6. Base salary and bonuses**

The interviewer assessed the interest in a higher base salary with a limited bonus or a lower base salary with an unlimited bonus.

### ***Youths' responses***

The question posed to the youths was: ***If you could choose between a higher base salary with limited bonus potential and a lower base salary with unlimited bonus potential, what would you choose, or would you prefer to keep receiving a fixed salary?***

One of the five youths was not in favour of either of the options, and preferred a set salary, because she had built her lifestyle around her pay, and was able to budget and plan accordingly. A higher base salary was selected by two (40%) of the five youths, and the view of one was that this would enable him to do more, because he could then save money.

### ***HR practitioners' responses***

The question posed to the participants was: ***If youth employees had the choice, what do you think they would opt for: a higher base salary with limited bonus potential or a lower base salary with unlimited bonus potential, or do you think they would prefer to keep receiving a set salary?***

Two of the three HRGs responded that youths prefer a higher base salary and a smaller guaranteed bonus. One of the HRGs commented that she had observed this preference even in senior employees. The third interviewee responded that a lower basic salary is primarily suited to commission earners. This HRG also commented that, to retain the youth, they needed to increase the basic salary offered by the company, even for commission earners.

According to the recruitment specialists, youth employees prefer higher basic salaries, because they are only interested in the guaranteed pay. Their response was that some youth employees may prefer a lower base salary with unlimited bonus potential, but the risk was that they would then spend their bonus recklessly, leading to financial constraints the following month. The view was that youth employees sometimes lack the maturity to spend a large bonus wisely.

The view of one of the two OD specialists was that youths, if they had the choice, would opt for a higher base salary, as they consider guaranteed monthly pay very important.

### **5.3.2.2.7. Smaller bonuses, paid intermittently**

#### ***Youths' responses***

The participants were asked to indicate whether they agreed with the statement: ***People seek immediate rewards. They don't want rewards once a year, but prefer to have these divided into payments made quarterly.***

Of the youths, three (60%) agreed with the statement. Two (40%) would have preferred to have the incentive bonus paid annually.

## RESULTS: QUALITATIVE RESEARCH

### ***HR practitioners' responses***

The participants were asked to indicate whether they agreed with the statement: ***People seek immediate rewards. They don't want rewards once a year, but prefer to have these divided into payments made quarterly.***

Two of the three HRGs' view was that employees must be very responsible to be able to manage intermittent payments. One HRGs' stated that the organisation would not make such payments more than twice a year, due to the administrative workload it would entail, which, in her words, "*requires a very high-performance culture.*"

The recruitment director, who recruited employees for an IT company, confirmed that the company offered quarterly incentives as an increase, not as a bonus payment.

### **5.3.2.3. Benefits**

The codes classified under this category included *Medical aid, Retirement fund, Leave, Employee discounts, Employee wellness offering, and Sabbaticals or other scheduled time reductions*. The code that emerged under this category was *Study leave*, which was mentioned once, and was grouped under *Sabbaticals or other scheduled time reductions*. Combined, these codes were mentioned 113 times.

#### **5.3.2.3.1. Medical aid**

##### **Youths' responses**

The question posed to the youths was: ***Would you consider an employer who does not offer medical aid, or is this not a factor?***

Four (80%) of the five youths said they would not consider an employer who did not offer medical aid. The view shared by the participants was that medical aid is a very important consideration.

### ***HR practitioners' responses***

The question posed to the HR practitioners was: ***The respondents considered this an important consideration when deciding to join an organisation. Have you had a similar experience?***

## RESULTS: QUALITATIVE RESEARCH

All three HRGs agreed with the finding that medical aid is an important consideration for employees when joining.

For the two recruitment specialists, medical aid was one of the important elements for IT professionals, stating that a retirement fund was the most important, followed by medical aid. One recruitment specialists agreed that, when employees consider an employment offer, medical aid is important, and where companies do not offer medical aid, employees enquire about medical aid.

The view of the remuneration specialist was that youths joining an organisation are interested in the medical aid scheme. At his organisation and in his experience, most youths are on a medical aid.

The OD senior manager responded that she knew of individuals who received the monthly medical aid subsidy but did not pay it towards membership of a medical aid. *“They are satisfying their immediate need and not being responsible.”*

### 5.3.2.3.2. Retirement fund

#### ***Youths’ responses***

The questioned posed to the youths was: ***If an employer did not offer a retirement fund, would you consider that offer of employment?***

Two (40%) of the five youth participants responded that they would consider the offer of employment. A third youth’s opinion was that a retirement fund is important, but that he would prefer contributing towards it in later years. A fourth youth said she would prefer the company handling the administration, because she found it challenging to save and did not want to be burdened with the administration. For the fifth youth, a retirement fund was more important than pay, because he considered it wise to save for the future.

#### ***HR practitioners’ responses***

The question posed was: ***The respondents considered this an important consideration when deciding to join an organisation. Have you had a similar experience?***



## RESULTS: QUALITATIVE RESEARCH

The HRG was of the view that a retirement fund is important to the youth, and said that, at her company, membership was compulsory. Another HRG agreed that a retirement fund is important to employees, but voiced the concern that, if employees had the option, they would encash it. The third HRG shared the view that, when employees resign, instead of re-investing their retirement fund, the youth encash it and pay off their house or pay off their debts, using a long-term investment to pay off short-term debt.

One of the two recruitment specialist stated that, in her experience, employees do not want to save towards a retirement fund.

The remuneration specialist said, based on his experience, retirement fund contributions are viewed as very important by youth employees.

The two OD specialists reported that youth employees want to receive as much cash as possible, and that they want the option to begin saving towards retirement at a later stage in their lives.

### 5.3.2.3.3. Leave

The emerging codes in this category included *Study leave*, which was clustered under *Sabbaticals and other scheduled time reductions*. The youths considered study leave part of *Sabbaticals and other scheduled time reductions*, while the HR specialists considered it part of *Leave*.

#### ***Youths' responses***

The question posed to the youths was: ***This is a generation who 'works to live,' which is different from previous generations, who 'lived to work.' Do you agree with that statement? How important is leave to you?***

Three (60%) of the five youths considered leave to be very important. For a second youth (20%), leave was not very important. For a third (20%) participant, leave was not more important than pay.

## RESULTS: QUALITATIVE RESEARCH

### ***HRGs' and specialists' responses***

The question posed to the HRG and specialist participants was: ***Leave was rated high by all the groups of respondents. In your experience, is this an important consideration for employees?***

The three HRG agreed that leave is very important to youths, and that they value and ask about leave. In one executive's experience, youths are even beginning to negotiate for more leave days.

The follow-up question posed was: ***Do employees request compensation for differences in leave days when they join, if they received more leave days at their previous employer?***

One HRG executive related an experience in this regard: *"I recently had someone that was negotiating because they were joining one of the companies who had 15 days' leave, and they were negotiating for two or three more leave days."* The second HRG's response was that, in her experience, employees value their leave and do not want to work long hours. The third HRG stated that, in her experience, leave is important to qualified employees, and that those who are older are asking for more leave days. Her view was also that leave is attractive to youth employees, but that they are also satisfied with having it paid out.

The two recruitment specialists agreed that leave is very important to youth employees, and stated that they ask about their leave on the first day of employment. One recruitment specialist stated that, in her experience, employees do not turn down offers due to insufficient leave, but they do want the assurance that they will receive leave.

The remuneration specialist's view was that employees place a high degree of importance on leave.

The OD executive said that, in her experience, leave is very important to the youth, but noted that they do not want to go on leave, because the company has an encashment policy, which they prefer.

#### **5.3.2.3.4. Employee discounts**

##### **Youth's responses**

The question posed to the youths was: ***How important are employee benefits to you as an attractor or retainer when deciding to join or leave a company?***

The responses of the youth participants were that employee discounts are not very important to the youth, and do not influence their decision to join or leave an organisation.

##### **HR practitioners' responses**

The question posed to the HRGs and specialists was: ***Do you find that employees consider employee benefits a retainer when deciding if they will leave or stay with a company?***

The three HRGs' view was that employee discounts are not important to the youth, and are considered a nice-to-have. Their view was that employee discounts do not act as a retainer, and is also not an important factor for employees when they join an organisation.

There was agreement among the two recruitment specialists that employees do not enquire about employee discounts when offers of employment are extended.

The remuneration specialist stated that, in previous years, his company had offered discounts, which employees enjoyed, but the company no longer offered those. His view was that companies should partner with other companies to create exciting, relevant employee discounts.

According to the OD executive, youths do not really value employee discounts, and, in her experience, employees only enquire if they can use the discounts once they retire.

### 5.3.2.3.5. Employee wellness offering

#### Youths' responses

The statement posed to the youths was: ***Respondents born 1981 to 2000 viewed this benefit as more important than the other two categories of respondents in the quantitative phase of the study. Do you agree or disagree with this result?***

Four (80%) of the five participants felt that a wellness offering was important. One (20%) participant disagreed, and felt that wellness offerings at work were not of interest to the youth, because they manage their own health and wellness.

#### HR practitioners' responses

The question posed was: ***Respondents born 1981 to 2000 viewed this benefit as more important than the other two categories of respondents in the quantitative phase of the study. Has your experience been similar?***

The HRGs disagreed about the importance of an organisation offering a wellness programme; two of the three HRGs viewed it as important, but one did not. The company of the second participant saw wellness offerings as important, and the participant stated that employees value these. The third participant's company supported factory workers' welfare through primary healthcare, as they did not have medical aid, and, for them, this was an important benefit.

One recruitment specialist, in her experience, found that employees are not concerned about wellness programmes, and do not enquire about such offerings during the recruitment process. The second recruitment specialist found that preferences in this regard differ from industry to industry; for example, employees in the financial services sector are very interested in wellness offerings. In her experience, it also depended on leadership. Where there was a service provider managing wellness, employees were very enthusiastic about it. Her view was that the youth wants gymnasiums and counselling.

At the remuneration specialist's company, the wellness programme had been communicated extensively, and was used by employees.

### 5.3.2.3.6. Sabbaticals or other scheduled time reductions

#### Youths' responses

The question asked in this category was: ***Are you interested in sabbaticals or extended time off?***

*Study leave* had emerged as a code in the quantitative phase of the study. The five youth participants were not interested in sabbaticals, and were more interested in extended time off for study leave.

#### HR practitioners' responses

The question asked in this category was: ***Are you finding that employees are requesting more time off than previously for sabbaticals or extended time off?***

Based on the responses from the three HRG participants, few employees ask for sabbaticals, and none of the participants' companies had a policy on sabbaticals. One HRG executive noted that, although the company did not have a policy on sabbaticals, employees did enquire about it. The second HRG also stated that few employees request sabbaticals. There had been more requests at her previous employer, where it was requested for religious reasons, such as pilgrimages.

The recruitment specialists noted that employees do not enquire about sabbaticals during the recruitment process. One recruitment specialist also noted that it is predominantly requested by professionals in the healthcare fraternity, as well as when the position is a highly specialised job requiring scarce skills.

In the remuneration specialist's experience, employees did not enquire about sabbaticals.

According to the OD executive, *"Not a lot of people have used this. When we initially introduced the policy, many employees were interested, until they were advised that it would be unpaid time off. This does not act as a retainer for employees."*

## RESULTS: QUALITATIVE RESEARCH

Companies generally do not have policies regarding sabbaticals or extended leave. Youths are not interested in sabbaticals, and would prefer extended study leave.

### 5.3.2.4. Performance recognition

This category included the codes *Non-financial rewards*, *Formal recognition*, and *Informal recognition*. The emerging code was *Years of service*. Combined with those of *Performance recognition*, these codes were mentioned 42 times.

### Youths' responses

The youths were asked: ***How do you feel about a recognition programme?***

Four (80%) of the five youths were of the opinion that recognition motivates them to perform better. The youth felt that reward and recognition are very important, and drive and encourage them to do more. The youths were of the opinion that recognition positively impacted their morale, and noted the importance of both formal and informal recognition. One (20%) interviewee felt that recognition would not incentivise her to do more.

Formal recognition was mentioned once (20%) by a youth, who preferred formal to informal recognition, and viewed it as important to recognise superior performance and contributions at a formal level. Informal recognition was mentioned as a motivating factor by three (60%) of the youths. One participant's view (20%) was: "*I'd be happy, definitely. I'd be over the moon, but I don't think it would have that much of an effect on me. I'd be like, 'Thank you,' and that's it.*" Another youth saw recognition as creating a culture of recognition in the organisation.

### HR practitioners' responses

The question posed to the HRGs and specialists was: ***How do youths respond to formal recognition programmes?***

One of the three HRGs noted that, at her company, informal recognition included awards for years' service, which, according to her, the youth are very pleased to receive. The second HRG noted that pressure from employees at her company had

## RESULTS: QUALITATIVE RESEARCH

forced them to change how they view employee rewards, and to devise rewards that employees valued.

The view of one of the two recruitment specialists was that “*Employees prefer both formal and informal recognition, but it is important that it must not be an event...*”

The remuneration specialist’s response was that employees are very motivated by non-financial rewards, and that his organisation offered both formal and informal recognition programmes.

The OD executive held the view that “*Recognition incentivises employees, particularly the youth, and they love it ...*” The second OD specialist stated, “*I think the informal one; the response is better...*”

### 5.3.2.5. Career development

The codes that formed part of this category were *Career/Growth opportunities*, *Learning and development opportunities*, *Experience working in different organisations to maximise career progression*, *Experience working in different organisations to maximise career earnings potential*, and *Formal coaching or mentoring programmes*. Furthermore, *Bursary opportunities* had emerged as a code from Phase I of the study. Combined, these codes were mentioned 55 times.

#### 5.3.2.5.1. Career/Growth opportunities

##### Youths’ responses

The question posed was: ***The results of the quantitative phase of my study indicate that career growth opportunities are seen as more important than pay. Do you agree or disagree with this statement?***

Of the five youth participants, two (40%) rated career growth and pay as equally important, and three (60%) rated career growth as more important than pay.

## RESULTS: QUALITATIVE RESEARCH

### HR practitioners' responses

The question posed was: ***The results of the quantitative phase of this study showed that career growth is seen as more important than pay. What has your experience been with respect to career- or growth opportunities for young employees?***

A HRG's response was career development was cited as the number one reason for people leaving.

A recruitment specialist said, "*The youth in general are very interested in their career growth.*"

The OD executive said that employees consider bursaries very important. In her experience, youths are also saying "...when you attract us, please do communicate the career and learning paths available..."

### 5.3.2.5.2. Maximise career progression

#### Youths' responses

The question posed to the youth was: ***Has the need for the experience working in different organisations to maximise your career progression been a reason why you have left a previous employer? Is it important for you to work in different organisations?***

One of the five youths said that this was one of the reasons why he had left previous organisations. Another interviewee's view was that she would not stay with a company for many years, because she would like to be exposed to other environments. Another response from an interviewee was, "*The more experience I can gain, the quicker I can climb the ladder, and that will also change in time, because not all people can move.*"

### HR practitioners' responses

The question posed was: ***Research indicates that young employees have a higher tendency than previous generations to remain with the same employer. Are you experiencing the same, or are you finding that young employees are leaving your organisations to maximise their career progression?***



## RESULTS: QUALITATIVE RESEARCH

The response from the recruitment specialist was that, “*The youth do move around a lot, and this generation of youth employee has many entrepreneurs, and some refuse to work for a boss. They prefer contracts over permanent positions in certain industries, and believe in taking their careers into their own hands.*”

### **5.3.2.5.3. Maximise career earnings potential**

The question posed was: ***Has the need for experience working in different organisations to maximise your earning potential been a reason you have left a previous employer?***

#### **Youths' responses**

The youth participants agreed that, to maximise both career progression and earning potential, experience gained through working in different organisations is required.

### **5.3.2.5.4. Bursary opportunities**

*Bursary opportunities* emerged as a code in Phase I of the study.

The question posed was: ***If your company offered you a bursary, would that act as an attractor or retainer for you?***

#### **Youths' responses**

The youths felt that they would be attracted to an employer who was prepared to support them in their studies and invest in them. They also saw this as a retainer, because they would be prepared to work back the time.

### **5.3.2.5.5. Learning and development opportunities**

#### **Youths' responses**

The question posed to the youths was: ***How important are learning and development opportunities to you?***

The youths' views were that pay is important, but that development is more important.

## RESULTS: QUALITATIVE RESEARCH

The second question posed was: ***Respondents scored learning and development opportunities high, even higher than pay. Would you agree with that?***

The youths agreed with the statement that learning and development opportunities are more important than pay.

### **HR practitioners' responses**

The question posed to the HRGs and specialists was: ***Do you receive many requests for training and development opportunities?***

Two (67%) of the three HRGs confirmed that their companies offered a formal bursary programme, which contributed to the retention of their staff. According to one HRG, her company recognised the importance of offering bursary opportunities.

The response from the recruitment manager was that, if companies do not pay for studies, they lose employees who value education. Another specialist noted: *"We do offer bursaries, and employees ask about bursaries a lot."*

One OD specialist said that she received many requests for training and development opportunities, and that her company spent a lot of money on training. The company also provided bursaries, and she felt that employees appreciate the opportunity to study further.

### **5.3.2.6. Work-life**

The codes within this category were: *Flexible work arrangements* and *CSR*. The code *Travel/Location* emerged during the quantitative phase. Combined, these codes were mentioned 47 times.

### **Youths' responses**

The question asked was: ***What is your view on work-life, and how do you define this concept?***

## RESULTS: QUALITATIVE RESEARCH

The view of the 80% of the youths was that work–life is very important. This was not very important for one participant, who worked a set number of hours per day and was only occasionally required to work extended hours.

### **HR practitioners' responses**

The question asked was: ***What are employees asking for with respect to work–life?***

None of the companies of the HRGs and specialists had a policy on or approach to work–life.

#### **5.3.2.6.1. Formal coaching or mentoring programmes**

##### **Youths' responses**

The question posed to the youths was: ***Did having a coach or mentor influence your decision to join or stay with your organisation?***

One (20%) of the five youths had had a coach, to which she attributed her tenure with and success at the organisation. She felt that she really fit in well with the organisation, and had no intention of leaving.

Two (40%) of the five youths had left their previous organisations because of the work that they were doing and being 'thrown in at the deep end', without any support.

##### **HR practitioners' responses**

The question asked was: ***Based on your experience, do coaching and mentoring programmes influence young employees' decisions to join or stay with your organisation?***

The HRG expressed the view that mentoring programmes work well and assists with retention.

The above views were supported by one of the recruitment specialists, who felt that it is important that employees who are joining the organisation for the first time should have a mentor. He also noted that there is a growing awareness of this need.

#### **5.3.2.6.2. Flexible work arrangements**

##### **Youths' responses**

The question posed to the youths was: ***How important would you say flexible work arrangements would be if you had to consider leaving or joining an organisation?***

Flexible work arrangements were considered important by the youths, with the exception of one participant, who worked a set number of hours daily and was only occasionally required to work extended hours. Four (80%) of the five youths indicated that they value and would be attracted to flexible work arrangements. Two (40%) of the five participants felt that flexible work arrangements were more important than pay.

##### **HR practitioners' responses**

The question posed to the HR practitioners was: ***Do you have any flexible work arrangement policies?***

None of the HRGs' companies provided flexible work arrangements, but they noted that there was the realisation in companies that this will become a need in the future, which, at this stage, is linked to commuting to and from work. This need, however, is very difficult to accommodate for front-end staff.

The response from the recruitment manager was that employees do not enquire about flexible policies, such as working from home, during the recruitment process; they only enquire once they have been appointed.

The OD manager responded that they had identified that there is a need for such flexibility in order to retain staff.

#### **5.3.2.6.3. Corporate social responsibility**

##### **Youths' responses**

The question posed to the youths was: ***There is a high degree of awareness of social responsibility. Respondents viewed this as important when considering joining an organisation. What is your view?***

Of the five youths, three (60%) did not see CSR as an important consideration. The remaining two (40%) felt that CSR indicate the culture of the organisation, but that it is not an important factor when deciding to join or stay with an organisation.

##### **HR practitioners' responses**

The question posed was: ***There is a high degree of awareness of social responsibility. Respondents viewed this as important when considering joining an organisation. What has your experience been in this regard?***

Overall, the HRGs' views were that CSR are rated highly by employees, and that employees are excited by these initiatives.

The recruitment manager's view was that CSR is not an important factor for the youth when they consider joining a company.

The OD specialists agreed with the finding that CSR is highly rated by the youth as both an attractor and a retainer.

#### **5.3.2.6.4. Travel and location**

*Travel and location* had emerged as a code during the quantitative phase of the study, and it is for this reason that there was no formal question linked to it. This code was mentioned ten times.

##### **Youths' responses**

Two (40%) of the five youths' view was that they would not easily accept positions that required extensive commuting, and that they would turn down an offer because of the organisation's location.

## RESULTS: QUALITATIVE RESEARCH

### HR practitioners' responses

One HRG had not found that employees were turning down offers of employment due to the company's location.

One recruitment specialist had found that employees were turning down offers due to location, but that employees would relocate for an attractive salary.

The remuneration specialist's view was: *"Location is important for employees, and an area that they can improve on, which requires attention."*

### International travel opportunities

*International travel opportunities* emerged as a code from the results of Phase I.

### Youths' responses

The question posed to the youths was: ***Would you be interested in international travel opportunities?***

### Youths' responses

The youth would be attracted to international travel opportunities, and this would aid their retention.

#### 5.3.2.7. Safety/Security

In this category, the researcher addressed the codes *Longer-term job security* and *Safe and secure work environment*, including interviewees' expectations. The code that had emerged was *Company reputation*. Combined, these codes were mentioned 20 times.

##### 5.3.2.7.1. Longer-term job security (> 12 months)

The question posed to the youths was: ***How important is longer-term job security to you?***

### Youths' responses

This proved to be very important to four (80%) of the five participants. They all noted the importance of having secure employment. One (20%) interviewee would consider

## RESULTS: QUALITATIVE RESEARCH

a two-year contract without the security of permanent employment, if the pay and environment were attractive.

### **HR practitioners' responses**

The question posed was: ***Are you finding that youth employees are seeking longer-term job security?***

The opinion of the HRGs was that youth employees are seeking job security. Employees feel insecure when companies go through restructures, and leave as a result.

The next question was: ***Do you find employees are asking, when you interview them, if you are going to restructure?***

The recruitment specialist responded, *"They do not at interview stage, because they assume that we are okay. But it is those inside, and then the new ones, because they're worried that they will apply last-in-first-out, so, they do."*

However, the remuneration specialist's view was that future employees will not work longer than ten years for a company.

The OD specialists were of the view that long-term job security is important to most people.

### **5.3.2.8. Social support**

This category included *Supportive management*, *Supportive environment*, and *Resources*. Additional codes emerged from the findings of Phase I of the research, specifically the responses to the open-ended questions, which the researcher clustered in this category, due to association. These were: *Working conditions*, *Environment*, and *Leadership*. Combined, these codes were mentioned 37 times; these are discussed below.

## RESULTS: QUALITATIVE RESEARCH

### 5.3.2.8.1. Supportive management and environment

*Supportive management* and *Supportive environment* were grouped together, because they were interlinked during the interviews.

The question posed to the youths was: **Supportive management scored *higher than* Supportive work environment. *What are your views in this respect?***

#### Youths' responses

The five youths were in agreement that supportive management is more important than a supportive environment, but that both are required. They felt that leadership is very important, because leaders create the environment, and employees generally follow their lead. Work environment proved to be an important consideration for the youths.

#### HR practitioners' responses

The question posed to the HRGs and specialists was: **Supportive management was *scored higher than* Supportive work environment *by the respondents, illustrating the importance of leadership. What are your views in this respect?***

One HRG noted that supportive management and a supportive environment are very important; she viewed these as one of the reasons why employees thrive, and the reason for leaving where they do not exist.

The recruitment manager's view was that supportive management is more important than a supportive environment.

The OD specialists, in their engagement surveys, found that managers determine the success or failure of teams. The culture of an organisation is also determined by management.

### 5.3.2.9. Resources

The theme that emerged from the quantitative phase was *Allowances*.



## RESULTS: QUALITATIVE RESEARCH

The question the researcher posed to the youths was: ***How important are resources that enable you to do your work to you?***

The five youths were in agreement that resources are very important to them.

### **HR practitioners' responses**

The question the researcher posed was: ***What importance do employees place on the resources they are provided with to do their jobs?***

The HRG and recruitment specialist agreed that resources are very important to the youth, and that a lot of value is placed on the technology and other resources provided.

The remuneration specialist's view was that resources are important to the youth, and one of the first things they enquire about when they join.

### **5.3.2.10. Rankings**

In this section, the interviewer validated the participant's views on the rankings obtained from the last section of the research questionnaire, as illustrated in Table 40 in Chapter 4.

Overall, the participants agreed with the rankings. One recruitment specialist indicated that she would have swapped *Performance recognition* with *Work-life*. The group agreed with the Number 1 ranking for *Career development opportunities*.

## **5.4. Attraction and Retention**

One of the objectives of the research was to understand what attracts and retains youth employees. This section summarises what attracts and retains the youth, as determined from the interviews with youths, HRGs, and HR specialists. These elements were mentioned 11 times.

## RESULTS: QUALITATIVE RESEARCH

### **Attraction:**

**HRG:** *“When we’re recruiting and in discussions with senior management, it’s career growth and opportunity ... dominates the conversation. Relevant and current brands. ...branding, the reputation of the company in the external environment.”*

**OD specialist:** *“Offering competitive salaries and paying market-related salaries.”*

**Recruitment specialist:** *“The younger generation was loud and clear that you need to start looking at the total reward in terms of us repackaging our salaries.”*

### **Retention:**

**Youth:** *“What incentivises me? Time off work, incentives, i.e. performance pay and activities, team-buildings. Very motivating. A nice incentive as a team or as a work group or colleagues. You go out and you interact on a social level, so it becomes a little draining when you’re constantly interacting with people. But, in the work environment only, you’re not allowed to be yourself. You’re not allowed to laugh and make jokes. So, people don’t know that side of you, because, when you’re at work, you’re professional.”*

**HRG:** In this HRG’s experience, senior-level employees were citing a lack of career development as their reason for leaving. *“These are the managers who feel overlooked for promotions, and would therefore go elsewhere.”*

**HRG:** *“Employees ... do not just want branded merchandise when being recognised. They want much more, and they started to give overseas trips, and people loved that, and this improved turnover.”*

**HRG:** This interviewee was of the opinion that employees are motivated by the possibility of earning more money; the more rewards they receive, the harder they work, and the more excited they become. According to this HRG, total reward elements need to be all-inclusive. Generation Y employees want choice, and companies should consider implementing the cafeteria model in order to give them choices regarding their rewards.

## RESULTS: QUALITATIVE RESEARCH

**HRG:** This HRG's company used a long-term incentive to support its retention strategy: *"Its lucrative and a very good incentive to stay."*

**HRG:** According to this HRG, young employees are easily bored, and they leave their employment without having secured another job. They need to feel that they 'fit in,' and want to be spoken to in a particular way. It is important to understand this new generation.

**OD specialist:** *"Culture and environment is what makes employees stay."*

**Recruitment specialist:** This interviewee indicated that the youth are retained through higher salaries, career development opportunities, flexible work arrangements, and attractive benefits. *"They want more money. They leave their permanent positions for contract positions, because they want to earn more money. They take their careers into their own hands. They want work-life balance, money, medical aid, and a retirement fund."*

**Recruitment specialist:** According to this interviewee, team-building initiatives are very important to the youth, along with attractive incentive bonuses.

To determine if what would retain youth employees differs from what retained previous generations, the interviewer asked the interviewee who had been with one organisation for 35 years what had made him stay. His response was: *"I am passionate about this company. This company has given me opportunities to develop myself. Without that, I would not have been registered and been a global remuneration professional. I've had all those opportunities. I've had opportunities to go to university and growth in my working environment."*

### 5.5. Frequency and statistical analysis

The frequency analysis of the codes is shown in Table 57, highlighting *Salary/Pay* and *13<sup>th</sup> cheque* as the codes most frequently mentioned by the youths and the HR practitioners.

## RESULTS: QUALITATIVE RESEARCH

Spearman's rho (also Spearman's rank correlation coefficient) was calculated to determine if there was a relationship between the groups' codes, based on frequency values. If the  $p$ -value is  $< 0.01$ , the difference is highly significant; a  $p$ -value between 0.01 and 0.05 is significant; and a  $p$ -value  $> 0.05$  is not significant. There was no requirement for normality, and it is a non-parametric statistic.

Highly significant differences ( $p$ -value  $< 0.01$ ) between the groups are highlighted in red in Table 57. A highly significant difference was identified for seven of the 60 codes, namely *Salary/Pay*, *Share options*, *Leave*, *Employee discounts*, *Employee wellness offering*, *Bursary opportunities*, and *Travel/Location*.

Significant differences ( $p$ -value between 0.01 and 0.05) between the groups are highlighted in green in Table 57. A significant difference was identified for seven of the 60 codes, namely *Smaller, intermittent bonus payments*; *Retirement fund*; *Formal coaching or mentoring programmes*; *Ranking for Attraction*; *Corporate social responsibility*; *Longer-term job security*; and *Work environment*.

The results indicated that the youths and the HR practitioners had different views on these subjects. Some of the codes were not mentioned during certain interviews, which impacted the results.

**Table 57:** Qualitative results

Code	Youths	HR generalists	Recruitment specialists	OD specialist	Remuneration specialist	$p$ -value
<b>Number of interviewees</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	
<b>Salary/Pay</b>	22	7	6	3	1	0
<b>Share options</b>	9	2	1	1		0.005
<b>Leave</b>	6	5	3	1	1	0.005
<b>Employee discounts</b>	6	3	2	1	1	0.005
<b>Employee wellness</b>	9	5	4	1	1	0.005
<b>Bursary opportunities</b>	5	2	1	1		0.005
<b>Travel/Location</b>	5	3	2			0.005
<b>Smaller, intermittent bonus payments</b>	8	1	1			0.014
<b>Retirement fund</b>	11	3	3	2	2	0.014
<b>Formal coaching or mentoring programmes</b>	4	4	2	1	1	0.014
<b>Ranking: Attraction</b>	4	2	2	1	1	0.014
<b>Corporate social responsibility</b>	5	2	2	2	1	0.041

## RESULTS: QUALITATIVE RESEARCH

Code	Youths	HR generalists	Recruitment specialists	OD specialist	Remuneration specialist	p-value
Longer-term job security (> 12 months)	5	4	1	1	1	0.041
Work environment	10	3				0.041
Lower base pay with unlimited bonus potential	4	1	2			0.054
Non-financial rewards	3	4	2	2	1	0.054
Incentive bonus (general)	1	1				0.058
Medical aid	8	3	2		2	0.089
Career/Growth opportunities	9	7	1	3	1	0.089
Benefits overall	3	3	2	1	2	0.111
Work-life	1	4				0.118
Years' experience	2					0.182
Qualification	3					0.182
Year of birth	2					0.182
Performance	4					0.182
Retirement fund	1					0.182
Study leave	1					0.182
Recognition	2					0.182
Understanding expectations	3					0.182
Experience working in different organisations to maximise career progression	2					0.182
Learning and development	4	1	1	1	1	0.182
International travel	1					0.182
Company reputation	3					0.182
Short-term incentives	9	5	3	1	4	0.188
Higher base salary with limited bonus potential	4	1	1	2		0.219
Informal recognition	9	3	1	1	2	0.219
Flexible work arrangements	10	5	1	2	2	0.219
Life stage	8	2		2	1	0.269
Supportive management	5	3	1	3	2	0.269
13th cheque		7	3	5	6	0.285
Sabbaticals of other scheduled time reductions	3	5	2	4	1	0.391
Pay for performance	4			1		0.45
Leadership	4			1		0.45
Market-related pay				1		0.559
Ranking: Retention		1				0.559
Supportive environment	1			1		0.638
Safe and secure work environment	3				2	0.718
Long-term incentives	3	3		4	1	0.805
Total rewards		2		1		0.858
Formal recognition	4	2		1	4	0.87
Resources		2	1		1	0.933
Experience working in different organisations to	1		1		1	1

## RESULTS: QUALITATIVE RESEARCH

Code	Youths	HR generalists	Recruitment specialists	OD specialist	Remuneration specialist	p-value
maximise career earnings potential						

According to Creswell (2013), qualitative results may assist in explaining and interpreting the findings of a quantitative study. In the present study, the independent variables were explored and reported (Table 58). Of the 25 elements, six showed a significant difference when compared to the responses of Phase I, namely: *13<sup>th</sup> Cheque, Retirement fund, Employee wellness offerings, and Informal recognition* proved to be more important to the youth than formal recognition, *Long-term incentives, and Smaller bonuses, paid intermittently*. It is on this basis that the researcher maintains the quantitative findings that ***youths have more or less similar reward preferences as previous generations.***

### 5.6. Developed total rewards framework

In this section, the results of the quantitative research of Phase I are integrated with the results of the qualitative research of Phase II, which informed the development a new total rewards framework. Table 58 provides a summary of findings from the theoretical literature review, integrating the quantitative findings of Phase 1 and qualitative findings of Phase 2.

## RESULTS: QUALITATIVE RESEARCH

**Table 58:** Summary of the results

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
<b>Career-/Life-stage model</b>	Researchers have noted that future research needs to “operationalise career stage and disentangle possible effects of chronological age and career stage” (Hardigree, 2008: 2).	Career- and life-stage models were not explored in Phase I of the study, which presents an opportunity for future research.	Career- and life-stage models were included in the qualitative phase of the study, and the outcome was that life stage does influence the youths’ views and decisions regarding pay and benefits, e.g., medical aid.	These models do not take into consideration external experiences, and the stages are categorised and defined in the same manner — based on age.
<b>Salary/Pay</b>	Research highlights that, amongst others, remuneration (including pay and incentives) is an important factor of people’s preference (Thompson (2002), Zingheim & Schuster (2000), Collins (2009), Towers Watson (2012), Hay Group (2008), Armstrong (2010) and WorldatWork	The quantitative findings confirm that <i>Salary/Pay</i> is very important for the youth. The results indicate a <i>Very important</i> response rate of 70.7% for <i>Attraction</i> and 59% for <i>Retention</i> .	For the youth, <i>Salary/Pay</i> remains an important factor. A total of 40% viewed this as very important, and 40% rated it as important. An HR specialist indicated that the youth want to be paid market-related salaries. The general view (67%) of the HRGs was that pay is a high	The views of the youths were consistent in the qualitative and quantitative findings. A further finding was that, although pay is an effective motivator, it is not the biggest motivator for all youths. <i>Social support, Career/Growth development and environment</i> are some of the other important

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	(2015).		priority for the youth.	aspects.
<b>13<sup>th</sup> cheque</b>	The Towers Watson (2012) total rewards framework, under the performance-based rewards category, identifies long-term incentives, amongst others, such as base pay	In the quantitative phase of the study, 28.6% of the respondents rated a <i>13<sup>th</sup> cheque</i> as <i>Very important</i> for <i>Attraction</i> , and 28.5% rated it the same for <i>Retention</i> .	A total of 60% of the youth participants received a <i>13<sup>th</sup> cheque</i> . They did not view this as either a retainer or an attractor.	The views of the youths were <u>not</u> consistent in the qualitative and quantitative findings. A <i>13<sup>th</sup> cheque</i> is one of the important factors of rewards for some youths, but not all.
<b>Short-term incentives</b>	increases (merit and promotions), short-term incentives, recognition, and profit sharing, as critical in the current environment for fair and meaningful remuneration to achieve measurable results.	<i>Short-term incentives</i> were rated as <i>Very important</i> by 37.4% of the youth for <i>Attraction</i> , and 28.5% rated it the same for <i>Retention</i> .	It was found that, overall, <i>Short-term incentives</i> could influence employment decisions.	The views of the youths were consistent in the qualitative and quantitative findings, that <i>Short-term incentives</i> can influence attraction and retention of the youth.
<b>Long-term incentives</b>	The view in the literature is that youth consider this reward too far into the future was shared during the qualitative phase of the research.	The quantitative results show that youths have a preference for <i>Long-term incentives</i> ; 38.8% rated these <i>Very important</i> for <i>Attraction</i> and	The youths consider the reward of <i>Long-term incentives</i> too far in the future to be attractive. Of the youths interviewed, 20% agreed that it would make them	The views of the youths in further analysis were <u>not</u> consistent in the qualitative and quantitative findings.



## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	The WorldatWork (2015) and the Hay Group (2008), highlight long-term incentives as important for attraction and retention. Zingheim and Schuster (2000), emphasis that it is not a one-size-fits-all proposition, and some companies may emphasize one component over the others, and that the best companies offer some of each component.	41% rated it the same for <i>Retention</i> .	stay with a company, while 80% of the interviewees felt that it would not.	
<b>Share options</b>	The Towers Perrin model suggests that tangible rewards such as shares are a significant factor for Generation Y (Armstrong, 2010).	<i>Share options</i> were rated by 32.7% as <i>Very important</i> for <i>Attraction</i> , and 36.1% rated it the same for <i>Retention</i> .	A total of 40% of the youths agreed that they would be interested in receiving shares, but that they did not see it as a motivator, while 40% of the youths indicated that shares	Based on the description provided in the qualitative phase of the study, the views of the youths were consistent with the quantitative findings. <i>Share options</i> do not play a major role

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
			would act as a retention factor, and would make them stay with the organisation. Only 20% of the youths felt that shares are a nice-to-have, but would not act as a retention factor, depending on the amount.	in attracting or retaining the youth.
<b>Higher base salary with limited bonus potential, or lower base salary with unlimited bonus potential</b>	Literature states that this generation seeks instant gratification, and that they earn to spend (Globoforce, 2013).	<i>A Higher base salary with limited bonus potential, or a Lower base salary with unlimited bonus potential was rated by 18.4% and 15% respectively as Very important for Attraction, and 23.6% and 19.4% respectively rated it the same for Retention.</i>	There was no consensus on this topic. The HR practitioners' view was that youths prefer a <i>Higher basic salary</i> . Two (40%) of the youths interviewed said they would prefer to stay on a fixed salary. One participant stated that she was not prepared to sacrifice base pay for higher bonuses, because guaranteed	The views of the youths were consistent in the qualitative and quantitative findings. The overall result of this study is an important new contribution to the body of knowledge in the area of total rewards, that higher base salary with limited bonus potential, or lower base salary with unlimited bonus potential

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
			pay made it easier to maintain their lifestyle.	is not an important consideration for the youth.
<b>Smaller bonuses, paid intermittently</b>	There is no specific research on this element of rewards, except the postulation that this is a generation that seeks instant gratification (Globoforce, 2013).	A total of 6.8% of the youths rated <i>Smaller bonuses, paid intermittently</i> as <i>Very important</i> for <i>Attraction</i> , and 19.4% rated it the same for <i>Retention</i> .	When given the option to receive bonus payments quarterly or annually, three of the youths (60%) interviewed opted for annual payments.  The HRGs and specialists interviewed shared the view that youths prefer smaller, intermittent payments.	The views of the youths were <u>not</u> consistent with the quantitative findings. The overall result of this study is an important new contribution to the body of knowledge in the area of total rewards: that smaller bonuses, paid intermittently, are not of interest to all youth. They prefer annual lump sum payments. Further research is needed to reach a conclusive result.
<b>Medical aid</b>	The Towers Perrin Total Rewards Model views healthcare (including sick	In the quantitative findings, <i>Medical aid</i> was rated by 72.8% as <i>Very important</i> for	<i>Medical aid</i> was important to four (80%) of the youths interviewed. The HRGs and	The views of the youths were consistent in the qualitative and quantitative findings, that

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	leave) as an important incentive (Armstrong, 2010) to job-seekers and for retaining employees (Rollsjö, 2009).	<i>Attraction</i> , and 58.7% rated it the same for <i>Retention</i> .	specialists agreed that medical aid is very important for attraction and retention of the youth.	<i>Medical aid</i> is very important in attracting and retaining the youth in organisations.
<b>Retirement fund</b>	Giancola (2006), expressed concern that the generational gap has been overstated by theorists, and that generational theory has major gaps. The research found that, in terms of rewards, Baby Boomers are more interested in retirement planning, while Generation Y prefers career development.	The quantitative findings for <i>Retirement fund</i> showed that the 74.1% of the youths rated it <i>Very important</i> for <i>Attraction</i> , and 59.7% rated it the same for <i>Retention</i> .	A <i>Retirement fund</i> was very important to two (40%) of the youths interviewed. A further two (40%) were of the view that they could manage their own retirement plan, and one (20%) preferred to begin saving for retirement later.  The view of an HRG was that education is required with respect to retirement funding and the importance of saving for retirement and not encashing the benefit when resigning.	The views of the youths in the qualitative phase of the research were <u>not</u> consistent with the quantitative findings. Further research is needed to reach a conclusive result.

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
<b>Leave</b>	<p>According to the WorldatWork (2015), employers supplement benefits such as leave, sick leave, and retirement as part of the monetary compensation that employees receive.</p> <p>Although salary is important, they also view other benefits as important incentives, for example, health- and dental care and paid vacations, when looking for, and staying in, a job (Rollsjö, 2009).</p>	<p>The quantitative findings regarding <i>Leave</i> were it was rated <i>Very important</i> by 72.8% for <i>Attraction</i>, and 58.5% rated it the same for <i>Retention</i>.</p>	<p><i>Leave</i> was seen as a very important benefit by the youths; this view was shared by the HRGs and specialists.</p>	<p>The views of the youths were consistent in the qualitative and quantitative findings. The overall result is that leave is very important to the youth. Based on the responses of the youths, benefits like leave, health- and dental care, etc. are more than a supplementary requirement; they are a necessity for attraction and retention.</p>
<b>Employee discounts</b>	<p>According to Towers Watson (2012), employee discounts, including employee wellness programmes, form part of the foundational rewards underpinned by a menu of</p>	<p>The quantitative findings for <i>Employee discounts</i> were that 42.9% rated these as <i>Very important</i> for <i>Attraction</i> and 35% rated it the same for <i>Retention</i>.</p>	<p>The consistent view across all the groups interviewed was that <i>Employee discounts</i> are a nice-to-have, but not very important.</p>	<p>The views of the youths were consistent in the qualitative and quantitative findings. The finding is that employee discounts are an attractive</p>

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	programmes that employers can select from and combine in different ways, whether subsidised in whole or in part, while striking a balance between what the organisation can afford and what is required to attract and retain talent.			benefit, but are not essential to attract and retain youths.
<b>Employee wellness offerings</b>	Towers Watson (2012), includes a wellness offering as one of the elements organisations can consider as part of the menu of programmes that employers can select from and combine in different ways to arrive at the right balance between what the organisation can afford and	The results from the quantitative findings were that <i>Employee wellness offerings</i> are viewed by 42.2% of the youth as <i>Very important</i> for <i>Attraction</i> , and 38.9% rated it the same for <i>Retention</i> .	<i>Wellness offerings</i> would positively influence youths' decision to enter into employment with a company, confirmed by 80% of the youths interviewed in the qualitative phase of the research.	The views of the youths were <u>not</u> consistent in the qualitative and quantitative findings. Further research is necessary, but it is likely that employee <i>Wellness offerings</i> are important and should be considered.

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	what is required to attract and retain talent.			
<b>Sabbaticals or other scheduled time reductions</b>		In the quantitative findings, 29.3% of the youths rated <i>Sabbaticals or other scheduled time reductions</i> as <i>Very important</i> for <i>Attraction</i> , and 31.9% rated it the same for <i>Retention</i> .	Companies generally do not have policies on <i>sabbaticals or other scheduled time reductions</i> . The interviewees were not interested in sabbaticals; instead, they preferred extended study leave.	The views of the youths were consistent in the qualitative and quantitative findings. The finding that sabbaticals are not highly regarded and that extended leave in the form of study leave is highly valued is an important original contribution to the body of knowledge in the area of total rewards.
<b>Performance recognition</b>	Generation Y grew being rewarded for good behaviour, and are expecting the same in their work-life. While their childhood rewards might have been a big smile or	For <i>Attraction</i> , <i>Formal recognition</i> was rated <i>Very important</i> by 46.7% and <i>Informal recognition</i> was rated the same by 33.6%. For retention, these benefits were	<i>Performance recognition</i> was considered very important by the youths, who stated that it motivated them to do more, and positively impacts their morale. <i>Informal recognition</i>	The views of the youths were <u>not</u> consistent in the qualitative and quantitative findings. The quantitative finding was that youths prefer <i>Formal recognition</i> , and the qualitative

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	encouraging words, they are expecting mainly financial rewards in the workplace (Rollsjö, 2009).	rated the same by 43.8% and 27.8% respectively.	proved to be more important than <i>Formal recognition</i> to the youths.	results indicated that youths prefer <i>Informal recognition</i> .
<b>Career development</b>	According to the Hay Group (2008), environmental rewards such as work–life balance or training and development opportunities are important elements of total rewards. Career development was identified as an important element in all the total rewards models discussed in the theoretical literature review (Armstrong, 2010), including learning and development opportunities, Career/Growth opportunities, and experiencing	The results of the quantitative findings were that 87.1% of the youths rated <i>Career development</i> as <i>Very important</i> for <i>Attraction</i> , and 74.3% rated it the same for <i>Retention</i> .	The general view was that <i>Career development</i> are as important as pay, but youths want ownership of their careers. “Compared to <i>Pay</i> , <i>Career development</i> is <i>Very important</i> .”	The views of the youths were consistent in the qualitative and quantitative findings — that <i>Career development</i> is rated highly as a factor of attraction and retention by the youth in organisations.



## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	working in different organisations to maximise career progression.			
<b>Experience working in different organisations</b>		The quantitative findings for <i>Experience working in different organisations</i> were that 54.9% of the youth rated experience working in different organisations as <i>Very important</i> for <i>Attraction</i> , and 50.7% rated it the same for <i>Retention</i> .	The youths' view was that, in order to grow and earn more, they would have to work for different organisations.	The views of the youths were consistent in the qualitative and quantitative findings. The overall result that experience working in different organisations is important is an important original contribution to the body of knowledge in the area of total rewards.
<b>Learning and development opportunities</b>	The total rewards model developed by Zingheim and Schuster (2000) states that employees want a company that focuses on individual growth, development and training, feedback and	The quantitative finding was that 80.3% of the youths rated <i>Learning and development opportunities</i> as <i>Very important</i> for <i>Attraction</i> , and 72.2% rated it the same for <i>Retention</i> .	The organisation investing in learning and development opportunities for staff is important to the youth. This attracts and retains them. Not being offered opportunities to learn and grow was one of the	The views of the youths were consistent in the qualitative and quantitative findings — that <i>Learning development opportunities</i> are very important rewards for the youth.

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	coaching, and opportunities to grow and learn to add value over time.		reasons why they had left companies in the past.	
<b>Formal coaching or mentoring programmes</b>	According to research by Eisner (2005), the group born 1965–1980 values developing skills and keeping up to date, and respond well to a coaching management style that provides prompt feedback and credit for positive results. This may be the same for youth born 1981–2000.	The quantitative findings were that 46.3% of the youths rated <i>Formal coaching or mentoring programmes</i> as <i>Very important</i> for <i>Attraction</i> , and 53.5% rated it the same for <i>Retention</i> .	The youths were in agreement that <i>Formal coaching or mentoring programmes</i> are very important.	The views of the youths were consistent in the qualitative and quantitative findings. The overall finding is that <i>Formal coaching or mentoring programmes</i> are very important factors of rewards.
<b>Work–life, Flexible work arrangements</b>	The literature indicates that many employees have developed a work-to-live rather than live-to-work mind-set that spills over into valuing the quality of the work environment	The quantitative findings were that 61.6% of the youths rated <i>Work–life, Flexible work arrangements</i> as <i>Very important</i> for <i>Attraction</i> , and	Differing views between the youths and the HR group were found in this regard. The youths viewed a <i>Work–life</i> as very important, and added that they would also be	The views of the youths were consistent in the qualitative and quantitative findings. The overall results are that <i>Work–life</i> and <i>Flexible work arrangements</i> are very

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	and a work–life balance (Eisner, 2005). They seek challenges and opportunities, yet, a work–life balance is of utmost importance to them (Gilbert (2011), Macky, Gardner & Forsyth (2008), Clement (2008), Globoforce (2013), Martin & Tulgan (2006) and Crampton & Hodge (2006). They seek work that is meaningful and fulfilling (Lancaster & Stillman (2002) and Yang & Guy (2006).	63.6% rated it the same for <i>Retention</i> .	attracted by <i>Flexible work arrangements</i> . The HR group viewed this as not very important and not as a retainer, adding that employees did not consider <i>Flexible work arrangements</i> when considering offers.	important factors for the youth, and that it attracts and retains them.
<b>CSR</b>	One of the elements included in the Towers Watson (2012) Total Rewards Model has CSR as an intangible reward and an	The quantitative findings regarding <i>CSR</i> were that 35.4% of the youths rated this as <i>Very important</i> for	The study found that youths may get excited about opportunities to partake in <i>CSR</i> initiatives, but it is not an	The views of the youths were consistent in the qualitative and quantitative findings — that <i>CSR</i> may be an intangible reward that they are interested

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	important element for attraction and retention.	<i>Attraction</i> , and 32.9% rated it the same for <i>Retention</i> .	important consideration when they decide to join a company.	in, but it is not a very important factor in attraction and retention.
<b>Longer-term job security</b>	The Towers Watson (2012) foundational rewards category speaks to employees' preference for security, stability, and safety. Stability and physical safety in the environment must be created by the employer (Burton & World Health Organization, 2010).	A total of 65.3% of the youth rated <i>Longer-term job security</i> as <i>Very important</i> for <i>Attraction</i> , and 58.7% rated it the same for <i>Retention</i> .	This element proved to be very important to the youths interviewed.	The views of the youths were consistent in the qualitative and quantitative findings — that <i>Longer-term job security</i> is very important.
<b>Supportive management and Supportive environment</b>	Members of Generation Y are used to working in teams — they actually prefer teamwork — and they value structure, interactivity, and image-rich environments. They want to	A total of 68.5% and 67.1% rated this as <i>Very important</i> respectively for <i>Attraction</i> , and 66.4% and 68.1% rated it the same for <i>Retention</i> .	The youths interviewed were in agreement that <i>Supportive management</i> is more important than a <i>Supportive environment</i> , but that both are required.	The views of the youths were consistent in the qualitative and quantitative findings. <i>Supportive management</i> is a very important factor of

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
	make friends with people at work, and they work well with diverse co-workers (Kane (2013) and Wessels & Steenkamp (2009). They are team players, and thrive in collaborative work environments (Macky, Gardner & Forsyth 2008 and Clement, 2008).			attraction and retention of the youth.
<b>Resources</b>		The quantitative findings were that 69.9% rated <i>Resources</i> as <i>Very important</i> for <i>Attraction</i> , and 63.9% rated it the same for <i>Retention</i> .	The youths interviewed were in agreement that <i>Resources</i> are very important.	The views of the youths were consistent in the qualitative and quantitative findings. The overall result is that <i>Resources</i> are regarded by the youth as very important. The outcome of this study is an important original contribution

## RESULTS: QUALITATIVE RESEARCH

Code	Theoretical Literature Review	Phase I: Youth Quantitative Results (1981 – 2000)	Phase II: Qualitative Results	Overall interpretation (of merged results)
				to the body of knowledge in the area of total rewards.

**Sources:** Hardigree (2008), Thompson (2002), Zingheim & Schuster (2000), Collins (2009), Towers Watson (2012), Hay Group (2008), Armstrong (2010), WorldatWork (2015), Globoforce (2013), Rollsjö (2009), Eisner (2005), Gilbert (2011), Macky, Gardner & Forsyth (2008), Clement (2008), Martin & Tulgan (2006), Crampton & Hodge (2006), Lancaster & Stillman (2002), Yang & Guy (2006), Burton & World Health Organization (2010), Kane (2013), Wessels & Steenkamp (2009), Macky, Gardner & Forsyth (2008), and Clement (2008)

### 5.6.1. Total Reward Framework for the Youth

Chapter 4 provided a discussion of the youth's preferences, grouped (using factor analysis) into nine descriptive labels, for **Attraction** and ranked using frequency analysis. The most important reward preferences were found to be, in order of importance: (1) *Social support, development and environment* (2) *Benefits*, (3) *Performance incentives*. For **Retention**, (1) *Social support and environment*, (2) *Variable and guaranteed remuneration*, and (3) *Benefits*.

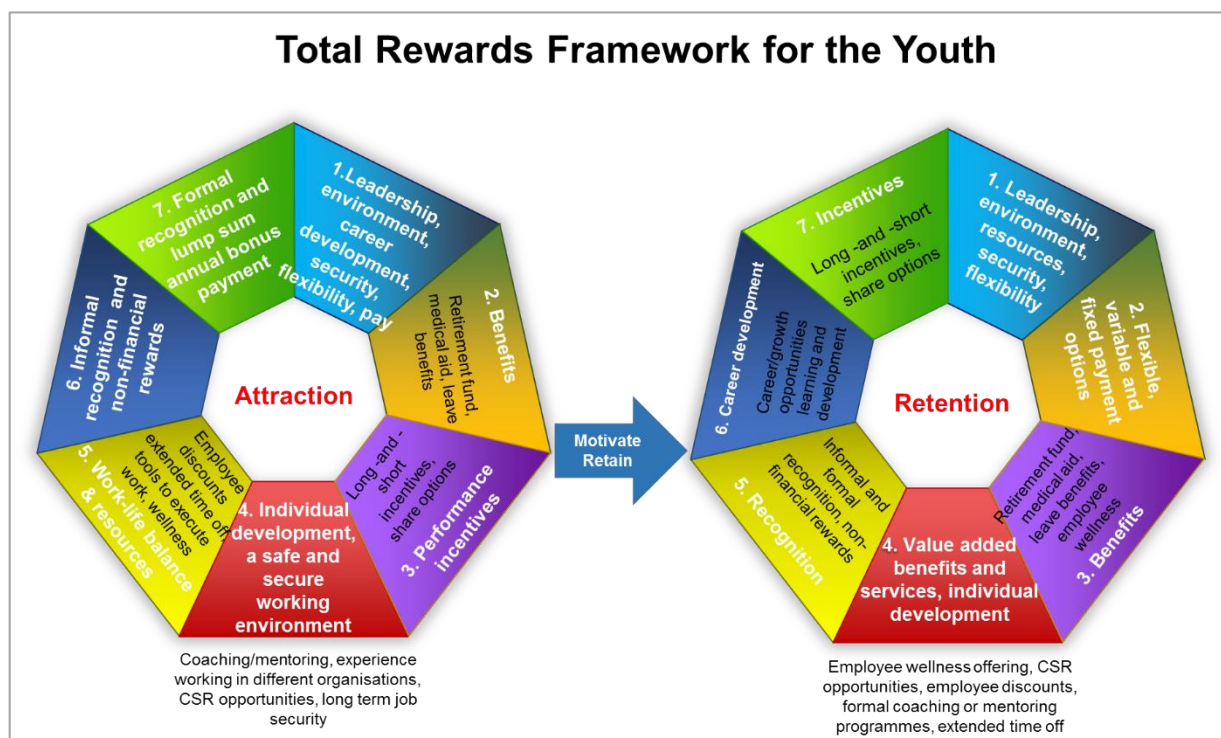
After integrating this information with the results of the qualitative research, discussed in Chapter 5, for **Attraction**, the top nine (9) reward preferences were found to be: (1) *Leadership and environment, career development, security, flexibility, and pay*; (2) *Benefits (retirement fund, medical aid, leave)*; (3) *Performance incentives (long- and short-term incentives, share options)*; (4) *Individual development, a safe and secure working environment*; (5) *Work-life and resources (employee discounts, extended time off, tools to execute work, wellness)*; (6) *Informal recognition and non-financial rewards*; and (7) *Formal recognition, and lump-sum annual bonus payments*.

For **Retention**, they were grouped into eight (8) descriptive labels, namely (1) *Leadership and environment, resources, security, and flexibility*; (2) *Flexibility, variable and fixed payment options*; (3) *Benefits (retirement fund, medical aid, leave, and employee wellness offerings)*; (4) *Value-added benefits and services, individual development*; (5) *Recognition (informal and formal recognition, non-financial rewards)*; (6) *Career development (career growth opportunities, learning and development)*; and (7) *Incentives (long- and short-term incentives, share options)*. In Phase II, some of these factors were validated. It should be noted that the ranking that was based on the frequency analysis was changed and fine-tuned by the ranking based on the qualitative research in Phase 2 of the study.

Based on the findings, the researcher is of the opinion that the reward categories of the WorldatWork (2015) Total Rewards Model is relevant, but that the model is not effective to attract and retain the youth. A model that better reflects the preferences of the youth would be more effective. Considering the scarcity of talent, companies may want to consider tailoring their offering to accommodate the preferences of their employees, using the Total Rewards Framework for the Youth that was developed in

## RESULTS: QUALITATIVE RESEARCH

this study, which reflects the top seven categories for attraction and retention of the youth. The framework has been developed considering the frequency analysis results, aligned with the factor analysis results (in Phase 1) and the qualitative results of Phase II of the research. The framework is shown in Figure 37.



**Figure 37: Total Rewards Framework for the Youth**

It was clear that what attracts the youth differs from what retains them. The youth's preferences for attraction and retention are:

### 5.6.2. Leadership and environment

In the present study, *Leadership and environment* was rated the highest of all the categories, for both attraction and retention. This included the elements *Supportive management and work environment*, *Resources*, *Safe and secure work environment*, *Career/Growth opportunities*, *Learning and development opportunities*, *Longer-term job security*, *Salary/Pay*, and *Flexible work arrangements*, although not all of these elements were rated the same for their retention.



### **5.6.2.1. Supportive management and work environment**

It is clear from the results that organisations that focus on leadership and developing talent will be in a stronger position to retain key employees as the war for talent intensifies (Boxall & Purcell, 2011). Youths expect that promises will be kept. Supportive and understanding leaders attract and retain them. They appreciate managers who have an open-door policy and are available to listen to their concerns. They want leaders who are focused on their development, create growth opportunities, value a work–life, and are able to create a supportive environment.

The themes *Culture* and *Work environment* emerged during Phase I of the study, which the researcher grouped with *Supportive work environment*. This was validated during Phase II, when the youths and the OD specialist indicated that the culture of an organisation is very important for both the attraction and retention of the youth.

### **5.6.2.2. Resources**

Youths value tools and devices, to the point that they would use their own in the workplace. The devices and tools given to them to perform their work were rated very important in both the qualitative and quantitative phases of the research.

### **5.6.2.3. Safe/Secure work environment**

The elements that formed part of this category for both attraction and retention were *Long-term job security* and *Safe/secure work environment*. Long-term job security and a safe and secure work environment are important to the youth.

### **5.6.2.4. Longer-term job security**

*Longer-term job security (> 12 months)* was ranked very important in Phase I of the research for both attraction and retention, and, in Phase II, was important for some of the youth interviewed, but not all. In order to enhance retention, youths need to feel that their position is secure. However, they consider pay more important than job security; they are prepared to sacrifice security for more money. They will also sacrifice security for job satisfaction and opportunities to grow and learn. They are not afraid of risks, but take calculated risks, as purported by Howe and Strauss (2007).

### **5.6.2.5. Career/Growth and learning and development opportunities**

These elements represent opportunities designed to enhance employees' applied skills and competencies. As described by WorldatWork (2015) in their Total Rewards Model, development encourages employees to perform better and enables leaders to advance their people strategies. This aspect includes a plan for employees to advance their own career goals, and may include advancement to a more responsible position in an organisation. The organisation supports career advancement internally, so that talented employees are deployed in positions that enable them to deliver their greatest value to the organisation (WorldatWork, 2015).

### **5.6.2.6. Salary/Pay**

The respondents rated an attractive *Salary/Pay* as important. Phase II of the present study indicated that companies need to pay market-related salaries in order to attract and retain the youth. Salary and other monetary benefits are a significant consideration for the youth, as it was, and still is, for previous generations. This finding supports those of Martin and Tulgan (2006) and Rollsjö (2009). Phase II of the research illustrated that youths are not unrealistic about their earning potential, but they do want to be paid market-related salaries. They are also aware that their qualifications and years' experience impact their earning potential. This result contradicts the literature stating that promotion is very important to members of Generation Y, but that they want this with minimal effort, perhaps reflecting a sense of entitlement that is the product of a pampered upbringing (Ng et al., 2010, CLC, 2005 and Nelson & Twenge, 2005). This generation 'wants it all and wants it now' in terms of better pay and benefits, rapid advancement, work-life balance, interesting and challenging work, and making a contribution to society (Ng et al., 2010: 282). The reason for this was not investigated in the present study.

### **5.6.3. Benefits**

Benefits ranked second in importance for attraction and third for retention. The study found that the most important benefits, in rank order are *Retirement fund, Medical aid, and Leave*. A benefit that youths find important that emerged from the quantitative phase of the present study was study leave. They want a work-life, and therefore do not want to take annual leave when their study leave becomes depleted. Youth find

## RESULTS: QUALITATIVE RESEARCH

the current allocation of study leave insufficient. *Sabbaticals or other scheduled time reductions* were ranked fifth and fourth in importance respectively for attraction and retention of the youth.

### **5.6.4. Flexible, variable, and fixed pay options**

This factor ranked second-highest for retention. The elements included in this factor were: *Lower base salary with unlimited bonus potential, Smaller bonus payments intermittently, Higher base salary with limited bonus potential, Lump-sum annual bonus payment, 13<sup>th</sup> cheque, Salary/Pay, and Share options*. Ranking third for attraction was *Long-term incentives, Share options, and Short-term incentives* (which were ranked similarly for retention).

### **5.6.5. Career- and individual development**

Ranking fourth for attraction and sixth for retention, career- and individual development, this factor includes *Formal coaching or mentoring programmes, Experience working in different organisations to maximise career progression, Experience working in different organisations to maximise career earnings potential, CSR, and 13<sup>th</sup> cheque*. For retention, the elements include *Flexible work arrangements, Career/Growth opportunities, Learning and development opportunities, and Formal coaching or mentoring programmes*.

### **5.6.6. Work-life**

Ranking fifth for *Attraction* and for *Retention*, this factor included *Employee discounts, Sabbaticals or other scheduled time reductions, Employee wellness offering, and Flexible work arrangements*. Analysis of the responses to the open-ended questions in both the quantitative and qualitative phases highlighted the importance of a work-life to the youth.

### **5.6.7. Recognition**

*Recognition* ranked fifth for *Retention* and sixth for *Attraction*. The elements included in this factor are *Formal recognition, Informal recognition, and Non-financial rewards*. Being recognised and rewarded is a need of the youth. This research found that both *Formal and Informal recognition* motivate them, but not in equal measure. Formal

## RESULTS: QUALITATIVE RESEARCH

recognition was rated higher than informal recognition in the questionnaire section of the study and informal rated higher during the interviews.

### **5.6.7.1. Formal recognition**

This research found that *Formal recognition* drives and encourages the youth. This finding supports that of Rollsjö (2009). Youths grew up receiving rewards for good behaviour, and are expecting the same in their work-life.

### **5.6.7.2. Informal recognition**

This was ranked *Very important* by youth respondents and interviewees, as well as the HR practitioners interviewed. Youths prefer on-the-spot recognition and thanks from management in recognition of their contributions. Recognition motivates them to display even more of the same behaviour. The majority (60%) of the interviewed youths preferred informal to formal recognition. This should be of great interest to companies that may not always have the budget to host formal recognition events.

It was found that both *Formal and Informal recognition* are motivational. Spontaneity and fun in the work environment appealed to 60% of the youth interviewees. One of the themes that emerged during the interviews was the need of young employees to receive feedback. When they do not receive this feedback, they will source it from their managers.

### **5.6.7.3. Non-financial rewards**

These can be part of either formal or informal recognition, and may have a monetary value. This study found that youths do value non-financial rewards. This presents an opportunity for future research to confirm what exactly youths value in terms of non-financial rewards. *“People were saying they did not just want branded merchandise, they wanted much more, and they started to give overseas trips, and people loved that ...”*

The researcher considered the results of both Phases I and II, and reviewed the literature, to develop an accurate and defensible set of rewards for the youth, which rewards were investigated empirically.

### **5.7 Conclusion**

This chapter described the findings obtained in Phase II of the research. It provided a summary of each of the groups' responses by category and code, aligned with the framework of the research. It concluded with presenting the newly developed Total Rewards Framework for the Youth. The framework was developed from the items that were investigated using frequency analysis and categorised using factor analysis reported in Chapter 4, the results of which were validated in Phase II.

The next chapter presents the empirical findings from the research, summarising the researcher's interpretation of the findings obtained through the questionnaire and the semi-structured interviews, linking these to the theories discussed in Chapter 2.

## CHAPTER 6

### DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

#### 6.1. Introduction

This study set out to evaluate the effectiveness of the reward categories of the WorldatWork (2012) total rewards model and other existing total rewards models for attraction and retention, with specific emphasis on the youth. The aim was to identify the factors of attraction and retention of the youth and, subsequently, to develop a more relevant total rewards framework for the youth. To ensure rigour and enhance the credibility of the study, the researcher assessed whether career- and life-stage models, as an alternative to generational theories, could be applied as predictors of what will attract and retain the youth. The study further sought to link selected theories of motivation regarding reward, to determine the intrinsic and extrinsic motivators linked to rewards that drive youth employees' behaviour. This would help to create a deeper appreciation and understanding of the driving forces behind the attraction and retention of youth employees. The study utilised the reward categories of the WorldatWork (2015) Total Rewards Model, customised with elements from other existing reward frameworks.

This is the last chapter of the thesis. It begins with a detailed discussion of the study results, in accordance with the structure of Chapters 4 and 5, and in the context of the theoretical literature review presented in Chapter 2. This is done in Section 6.2., which presents a discussion of the results and the youth's work preferences. Section 6.3. describes how the specific objectives of the study were achieved, where after an evaluation of the limitations of the study are presented in Section 6.5. The contribution of this study to the body of knowledge in this field is presented in Section 6.6, followed by Section 6.7, where recommendations and policy implications are given, and future research is suggested.

### 6.2. Discussion of results

Through a survey using a sample of 276 respondents and 11 semi-structured interviews, the researcher compared total reward preferences for attraction and retention across various total reward models, with specific reference to the WorldatWork (2015) Total Rewards Model. Identified categories and elements from these models were applied in several ways, to assess the rewards prioritisation, using frequency distribution, the chi-square test, the Kruskal-Wallis test and factor analysis.

Three top variables emerged as most significant in terms of their effect on the attraction and retention of the youth. For *Attraction*, these were: (1) *Leadership and environment, career development, security, flexibility, and pay*; (2) *Benefits (retirement fund, medical aid, leave)*; (3) *Performance incentives*, and, for *Retention*, (1) *Leadership and environment, resources, security, and flexibility*; (2) *Flexibility, variable and fixed payment options*; (3) *Benefits (retirement fund, medical aid, leave, and employee wellness offerings)*. Additionally, several individual components of rewards were significantly linked to rewards prioritisation. These bivariate and multivariate findings are discussed in this section of the report.

In this section, the results presented in Chapters 4 and 5 are discussed, to refine the conclusions and recommendations, in the following order: generational theory, theories of motivation, and total reward categories and elements for attraction and retention.

#### 6.2.1. Generational theory

The findings based on the similarity of the responses in the quantitative and qualitative phases of the research support the literature and the similarities between generations posited by Howe and Strauss (1991; 2007), who developed similar collective personae.

The research highlights that each generation has distinct characteristics that affect how the war for talent is waged (Twenge, 2010), and will therefore require a different approach for their attraction and retention.

### 6.2.2. Theories of motivation

As attraction and retention remain of strategic importance to organisational success, offering the desired blend of rewards is imperative. The following is a discussion of the findings, aligned with theories and the literature presented in Chapter 2, of what motivators influence and drive the youth's decision-making about employment. By understanding these theories of motivation, a deeper appreciation of the driving forces behind the attraction and retention of the youth was gained.

These theories were assessed in both phases of the present study by the responses provided by youth respondents and participants. The theories are discussed individually below.

#### 6.2.2.1. Incentive theory of motivation

Based on the results of this research, youths are motivated by both monetary and non-monetary rewards and incentives. These rewards, in order of importance for their attraction are: (1) *Leadership and environment, career development, security, flexibility, and pay*; (2) *Benefits (retirement fund, medical aid, leave)*; (3) *Performance incentives (long- and short-term incentives, share options)*. For their retention, the rewards are: (1) *Leadership and environment, resources, security, and flexibility*; (2) *Flexible, variable, and fixed payment options*; and (3) *Benefits (retirement fund, medical aid, leave and employee wellness)*.

The research found that these top three rewards enhance the attraction and retention of the youth, and should be provided, to motivate them in their work. The findings of this study support this theory and its applicability in the workplace.

#### 6.2.2.2. Maslow's hierarchy of needs

For the youth, *Leadership and environment* is the most important for attraction and retention. The findings are not completely aligned with Maslow's hierarchy of needs, according to which social needs are more important than the psychological need of Salary/Pay. Pay is very important, as it fulfils their need to buy a house and a car, and to maintain a certain lifestyle, as stated in interviews in the qualitative phase of the research. The need for Safety/Security in their jobs ranks the same as safety needs



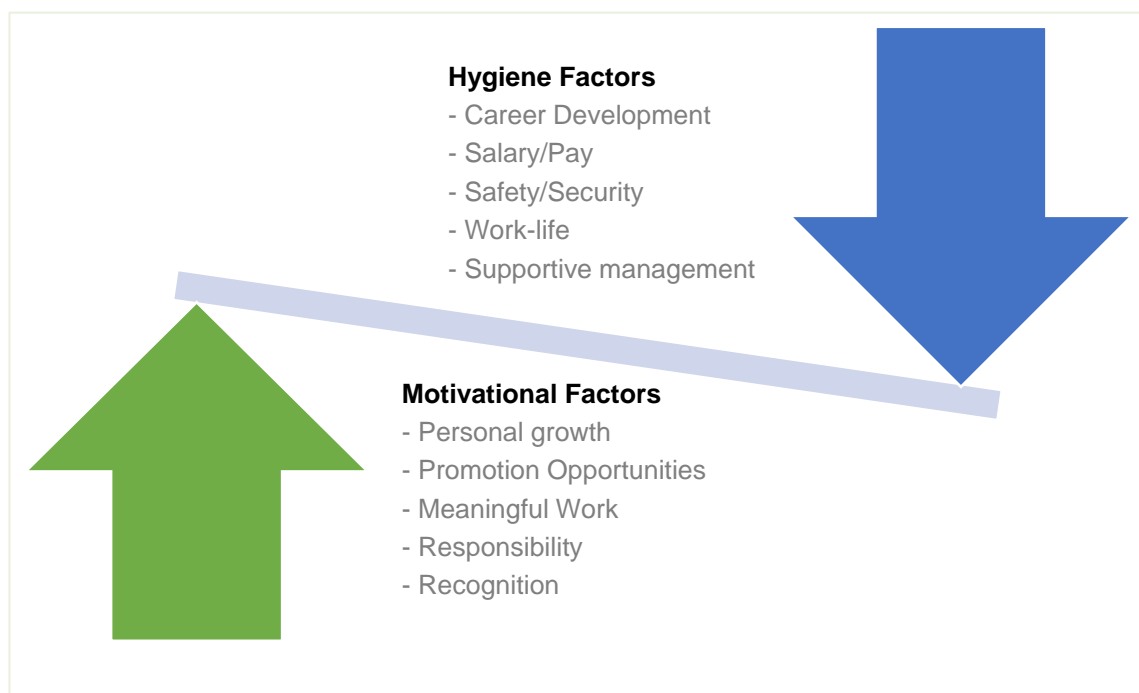
## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

in the hierarchy of needs, followed by work–life, performance recognition and incentive payments.

### 6.2.2.3. Herzberg's two-factor theory

Achieving the right balance between hygiene and motivation is required by the youth, and will enable organisations to attract and retain them.

Motivational factors are those that are strong contributors to job satisfaction. Hygiene factors are not strong contributors to satisfaction, but must be present to meet workers' expectations and prevent job dissatisfaction (Herzberg, 1987). The adapted Herzberg's two-factor theory (Figure 38) depicts the youths' views, and is a new contribution to the body of knowledge.

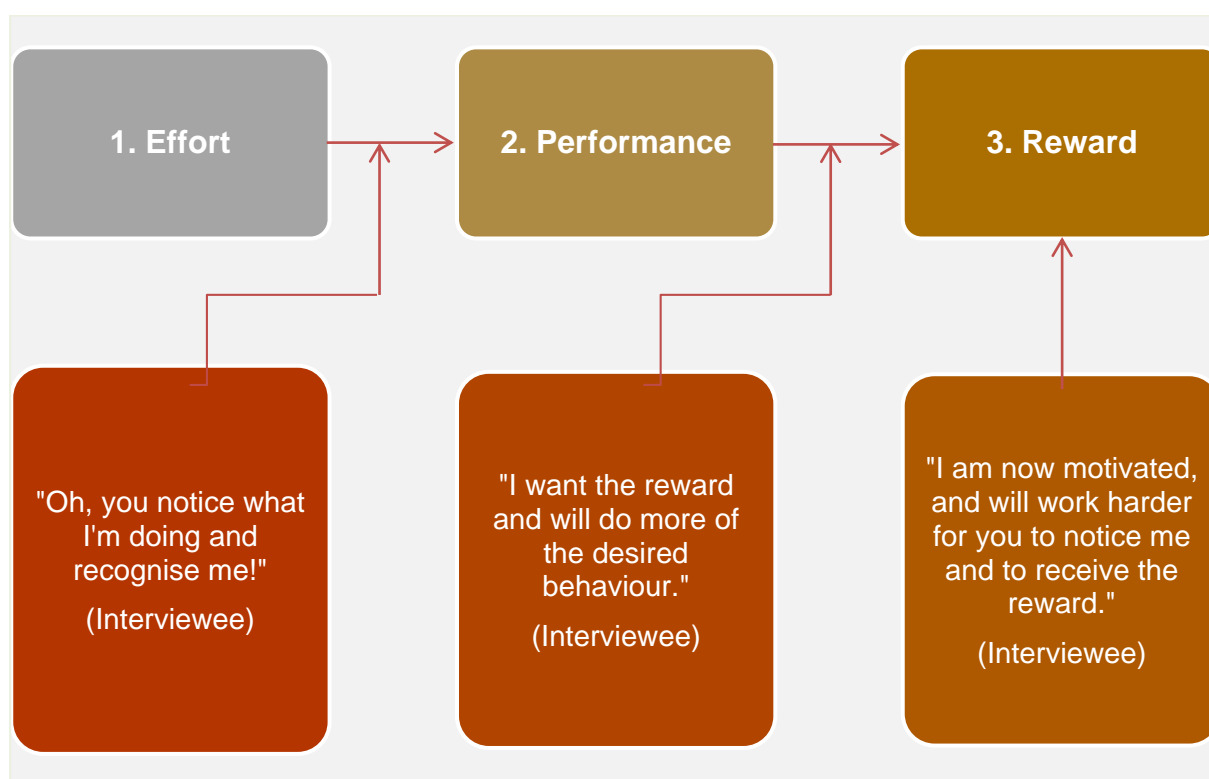


**Figure 38:** Adapted Two-factor Theory

Organisations need to understand the importance of blending employee attitude and workplace motivation (as Herzberg (1987) argued), to achieve the right balance between hygiene- and motivational factors, which will enable them to attract and retain the youth. The findings of this study support this theory and its applicability in the workplace.

#### 6.2.2.4. Expectancy theory

Youths require recognition and feedback that their efforts have led to the desired outcome. They are comfortable with the performance management process, and are prepared to work hard to achieve rewards. They are also confident that they will achieve their goals. An adaptation of Vroom's expectancy theory (Figure 39) is aligned with the results of the present study, illustrating the youth's preferred incentives and non-monetary rewards. These findings are compatible with this theory and its applicability in the workplace. As a contribution, it was found that this theory excludes two important reward categories, namely *Work-life and Safety/Security*.



**Figure 39:** Adapted Expectancy Theory

#### 6.2.2.5. Equity theory

When aligning the findings of the present study with equity theory, it is clear that fairness is important to the youth. Youths have high expectations of their employers, and expect that promises will be kept. They believe in equity and fairness, and want to be paid equally, as well as acknowledged and thanked for their contributions.

When they feel they are not being paid a market-related salary, they will leave the

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

organisation, because they are not being treated fairly in relation to others. Though the findings of this study are compatible with this theory, the theory excludes five important reward categories, namely *Career development*, *Work–life*, *Safety/Security*, *Social support*, and *Performance recognition*. This is a new finding, and is, therefore, a contribution to the body of knowledge.

Table 59, summarises the present study's findings regarding theories of motivation, linked to reward category relevant to the youth. The X-axis represents the reward category, and the Y-axis represents the motivation theory. The table depicts the categories of reward on which motivational theory has an impact.

**Table 59:** Research findings regarding theories of motivation

Reward category							
Motivation theory	Remuneration	Benefits	Career development	Work–life	Safety/ security	Social support	Performance recognition
Incentive theory of motivation	X	X	X	X	X	X	X
Maslow's hierarchy of needs	X	X	X	X	X	X	X
Herzberg's two-factor theory	X	X	X	X	X	X	X
Expectancy theory	X	X	X			X	X
Equity theory	X	X					

It was found that the theories of motivation are important considerations for organisations in understanding what motivates and drives employees' behaviours. Both intrinsic and extrinsic motivators drive employees' behaviour in order to achieve their goals. Understanding which motivators influence and drive the youth's decision-making, and designing reward categories and elements that will motivate them, will assist in their attraction and retention.

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

### 6.2.3 Total reward options

A total rewards system encompasses the reward framework for an organisation and the strategy to attract and retain talent. The following sub-section discusses the results with regard to the total rewards framework for attraction and retention of the youth.

#### 6.2.3.1 Demographic differences in reward preferences

The demographic data provided the researcher with an overview of the profile of those who participated in the study. The results of Phase I (quantitative) were obtained using Pearson's correlational analysis (Table 42). The majority of the results proved to be invalid, with more than 20% of the cells having an expected cell count of less than 5 or a minimum expected cell count of less than 1, or both. Some interesting associations between reward preferences and demographic characteristics were found; *Share options, Smaller bonus payments intermittently, Experience working in different organisations to maximise career progression, CSR, Safe and secure work environment, and supportive management* varied according to **Gender**.

*A 13<sup>th</sup> cheque, Short-term incentives, Share options, Medical aid, Retirement fund, Employee discounts, Employee wellness offering, Formal recognition, Informal recognition, Learning and development opportunities, Experience working in different organisations to maximise career progression, Formal coaching or mentoring programmes, Safe and secure work environment, and Resources* varied according to **Race**.

*Lower base salary with unlimited bonus potential, Non-financial rewards, and Formal recognition relationship status* varied according to **Relationship status**.

It was also found that, for **Attraction**, the youths value *Leave, Employee discounts, Long-term job security, and a safe work environment* more than the previous generations; and, for **Retention**, the youths value *Employee discounts*. The youth have rewards preferences more or less similar to those of previous generations.

In considering the demographic data in Phase II (qualitative), the results indicated that there are no differences in reward preferences between races and genders. Further

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

to this, no differences were identified with regard to level of education and field of study. Differences were, however, noted related to years of experience and relationship status. Youths with more years of experience had a greater need for a work–life than those with fewer years' experience. This is compatible with the generation theory discussed in Chapter 2. The same applies to relationship status and flexible work arrangements (i.e. for married couples with children). Respondents who had children felt that they would benefit from flexible work arrangements, and that this would attract and retain them. This is an interesting insight for organisations, and presents an opportunity for further research.

### **6.2.3.2 Total reward categories and elements for attraction and retention of the youth**

The findings regarding total reward categories and elements for attraction of the youth in the context of the theoretical literature presented in Chapter 2 are as follows:

1. Tangible (extrinsic) rewards include *Remuneration and Benefits*.
2. Intangible (intrinsic) rewards include *Work–life, Performance recognition, and - Career development opportunities*.
3. The WorldatWork (2015) model excludes: *Safety/Security, Social support, and Coaching and mentoring*.
4. The null hypothesis, that there is no association between the rewards categories (e.g., remuneration, benefits, performance recognition, etc.) that attract people to organisations and the generation to which they belong was rejected. The reward elements, *Leave, Employee discounts, Career/Growth opportunities, Experience working in different opportunities, and Longer-term job security* proved to be more important to the youth than to previous generations. This implies that these are the total reward elements that would attract and retain the youth.
5. *Leave, Employee discounts, Career/Growth opportunities, Experience working in different opportunities, and Longer-term job security* are important reward preferences of the youth, compared to members of previous generations.

For retention, the null hypotheses were rejected with reference to smaller bonuses paid intermittently and employee discounts.

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

The present study used the reward categories of the WorldatWork (2015) Total Rewards Model and other popular total rewards models to create an increased understanding of the attraction and retention of youth employees, based on their reward preferences. None of total reward models described in the literature review includes the options of a higher base salary with limited bonus potential vs. a lower base salary with unlimited bonus potential, smaller bonuses paid intermittently, or resources. This is an important new contribution to the body of knowledge in the area of total rewards.

### **6.2.4 The youths work preferences**

With an increasingly diverse workforce, no single reward element should be regarded as a value driver. Job enrichment, flexibility, and career development should be valued above job security and stability. There should be increased emphasis on the EVP for individual workers. The traditional career path is outdated — organisations should provide many opportunities for workers, as found by Kelley, Moore, and Holloway (2007).

Youths are generally well-educated and self-confident, and they are confident about their future (Gilbert, 2011). They take control of their careers and growth, and want to work for an employer who will pay for this. They are very cost-conscious, and organisations supporting their studies, enhances their loyalty, as it shows that the organisation cares about their future. They are a mature generation with clear goals, and they know how they will go about achieving these. They desire supportive management, mentoring, and coaching. They will benefit greatly from mentors who can help guide and develop their young careers, as postulated by Kane (2013).

Youths prefer to plan ahead, which is why they want guaranteed pay options. They understand variable pay, and are prepared to work for this, but they will not sacrifice guaranteed pay.

They prefer to work in teams, because they are able to interact and, through team interaction, learn faster, whilst at the same time reducing their risk of failure, using collective decision-making and engagement. They enjoy team-building, as it provides them with the opportunity to interact and make friends with people at work.

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

The culture and environment of an organisation are very important to the youth, and they want to work for an organisation that cares about its employees. Coaches should be used in organisations to create an environment that bespeaks care and understanding through communicating in the form of storytelling about the history and culture of the organisation, as suggested by Viljoen (2016), whilst, at the same time, communicating the organisation's expectations.

Work–life balance is very important to the youth, and they are prepared to trade pay for what is important to them in their lives. They work to live (Kane 2013). They dislike working long hours, and they value family time.

Youths have high expectations of their employers, and expect that promises will be kept. They believe in equity and fairness, and want to be paid equally, and also to be acknowledged and thanked for their contributions.

Youths want to be noticed. They seek feedback — they want to know how they are doing, and want to be consulted and kept updated. This generation values inclusivity, as found by Viljoen (2016).

This generation is unafraid to take risks, but these risks have to be calculated. They stand up for what they believe in, and are not afraid to speak up. They are not passive bystanders. They demand respect. They are very motivated, and focus their efforts on achieving their goals.

The implication of all this is that reward professionals, HR practitioners, and managers who understand the youth's preferences in rewards are able to design a more relevant and meaningful total rewards package, thereby increasing their ability to attract skilled resources, retain employees, and reduce turnover and the associated replacement costs.

### 6.3 Research objectives

In this sub-section, the research objectives are revisited, to indicate how they were achieved.

#### **Objective 1: To evaluate the effectiveness of the reward categories of the WorldatWork Total Rewards Model**

In Table 12, Chapter 3, it was indicated that this objective was dealt with by applying both the quantitative and qualitative methodologies. A survey questionnaire was used to collect quantitative data, which were analysed to investigate and identify the reward factors that affect the attraction and retention of the youth. The chi-square test and Kruskal-Wallis test were used to determine whether the identified rewards categories that are important to the youth and to other generations are different. These tests were used to evaluate the reward categories of the WorldatWork (2015) Total Rewards Model. The results were presented in Chapter 4 and discussed in Section 6.2 of the present chapter.

Qualitative data were collected in the second phase of the study, to assist with the explanation and interpretation of the results obtained from the quantitative data, by answering questions regarding why and how significant relationships occurred the way they did. The results were then compared and contrasted with what the model prescribes. In Sub-section 6.2.3.2., it was indicated that the WorldatWork (2015) model excludes: *Safety/Security, Resources, Supportive management and environment, and Coaching and mentoring*, and that *Career/Growth opportunities, Employee benefits, Experience working in different opportunities, Longer-term job Safety/Security* are important reward preferences of the youth, compared to members of previous generations. Also, the factor analysis in Phase I of the study revealed that all the factors contained in the WorldatWork (2015) model are important for the youth's attraction and retention, but that the model lacks two important reward categories, namely (1) *Resources* and (2) *Safety/Security*

#### **Objective 2: To identify the factors that attract the youth to organisations**



## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

Table 12 also showed that the survey design and quantitative methodology were used to collect data to identify the factors affecting the attraction of the youth. In Chapter 4, seven reward categories were found to affect the youth's attraction to organisations. These, in order of importance, are:

1. **Leadership and environment** — supportive management and work environment;
2. **Benefits** — retirement fund, medical aid, and leave;
3. **Performance incentives** — long- and short-term incentives and share options;
4. **Individual development, a safe/secure working environment** — coaching/mentoring, working in different organisations to maximise career growth, CSR, and long-term job security;
5. **Work-life and resources** — extended employee benefits and tools to execute one's work;
6. **Informal recognition** — informal recognition and non-financial rewards; and
7. **Formal recognition** — formal recognition and lump sum annual bonus payment.

### Objective 3: To identify the factors that retain the youth in organisations

Table 12 showed that a survey (a quantitative methodology) was used to collect data to identify the factors affecting the retention of the youth to organisations. According to the results, reported in Chapter 4, seven reward categories were found. These, in order of importance, are:

1. **Leadership and environment** — supportive management and environment;
2. **Flexible and variable payment options** — flexible payment options and Salary/Pay;
3. **Benefits** — retirement fund, medical aid, and leave;
4. **Value-added benefits and services and individual development** — employee wellness, CSR, employee discounts, formal coaching or mentoring, and extended time off;
5. **Recognition** — informal and formal recognition, non-financial rewards;
6. **Career development** — Career/Growth opportunities and learning and development; and
7. **Incentives** — long- and short-term incentives and share options.

### **Objective 4: To determine what changes need to be made to the WorldatWork (2015) Total Rewards Model to make it more effective**

The changes to be made to the WorldatWork (2015) Total Rewards Model to make it more effective were derived from the achievement of Objective 1. The required changes are:

1. a better reflection of the reward preferences of the youth; and
2. inclusion of *Safety/Security, Resources, Supportive management and environment, Flexible payment options, and Coaching and mentoring* in the model, as these are important reward preferences of the youth, compared to members of previous generations.

The factor analysis in Phase I of the study revealed that all the reward categories in the WorldatWork (2015) model are important to the youth, and are therefore suitable to be used in a total rewards framework; however, not all the important factors are included in the current model. Categories to be added are: *Leadership and environment, Flexible remuneration options, Safety/Security, extended leave opportunities and resources*. In order for organisations to have a more effective reward strategy for the youth, their total rewards must include the aforementioned components.

### **Objective 5: To develop an effective total rewards framework for attracting and retaining the youth**

After addressing the first four objectives, the researcher was able to develop a more effective total rewards framework for the youth and answer the research question:

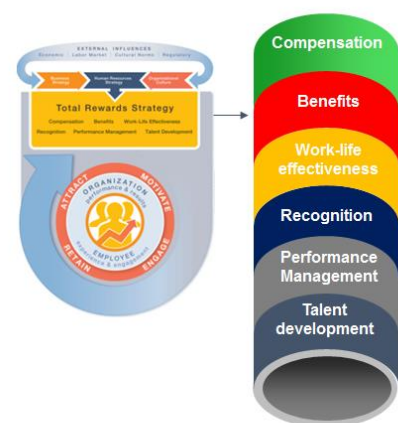
#### **How can a total rewards framework for the youth be conceptualised best?**

An organisation's ability to attract, motivate, and retain the youth is a major predictor of fiscal performance and survival. To that end, given the diverse workforce, organisations must offer a varied set of rewards as they try to access the best and brightest employees. For a diverse, global workforce, no single reward element is a

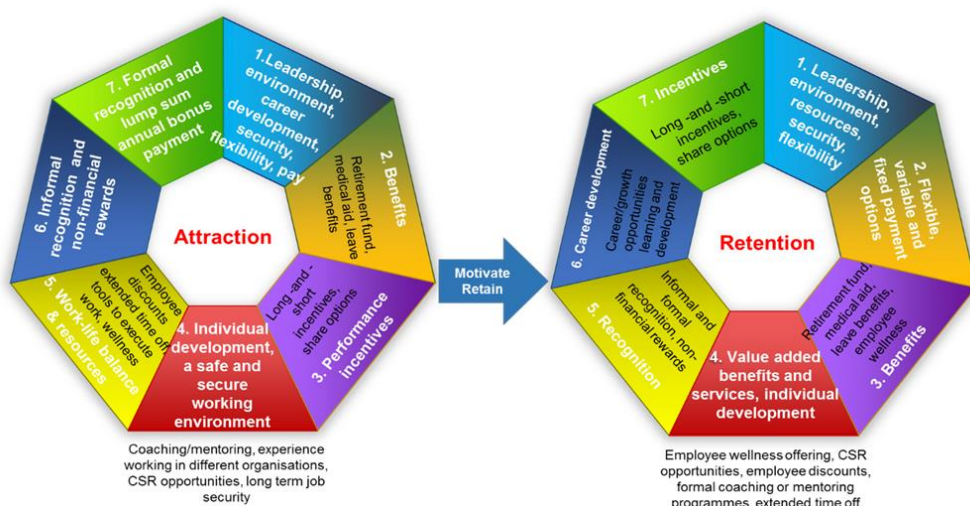
## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

value driver. In future, there will be an increased emphasis on the EVP to individuals. This supports the finding of Kelley, Moore, and Holloway (2007). The Total Rewards Framework for the Youth that was developed after considering all the important preferences of the youth is shown in Figure 40.

### WorldatWork Total Rewards Strategy



### Total Rewards Framework for the Youth



**Figure 40:** Developed Total Rewards Framework for the Youth

### 6.4 Conclusion

It was found that the factors for attraction and those for retention differ, especially when considering their level of importance as rated by the youths who participated in this study. It was found that seven categories should be used by organisations to **attract** the youth. These, in order of importance, are: *Leadership and environment*, *Benefits*, *Performance incentives*, *Individual development*, *a Safe/Secure working environment*, *Work-life and resources*, *Informal recognition and non-financial rewards*, and *Formal recognition*.

It was found that seven categories should be used to **retain** the youth in organisations. These, in order of importance, are: *Leadership and environment*, *Flexible, variable, and fixed payment options*, *Benefits*, *value-added benefits, and services*, *Recognition*, *career development*, and *incentives*.

This new framework can be regarded as an improved or modified version of the WorldatWork (2015) framework, with additional reward categories. This implies that,

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

if the framework is applied in an organisation, the organisation will be able to attract and retain the youth more effectively, because it includes all the preferences of the youth. The framework was informed by a scientific study, in which the data that were collected were objectively analysed.

### **6.5 Evaluation and limitations of the study**

The present study's sample consisted of skilled labour, which might have impacted negatively on the generalisability of the findings to other groups. The sample of tertiary students might have had a negative impact on the credibility of this study, due to the sample being homogeneous and therefore lacking a wide range of perspectives.

Furthermore, the racial composition of the sample (49.62% black African, 29.62% white, 10.38% Coloured and 10.38% Indian) lacked representation in terms of the racial composition of South Africa's population.

The limitations of the sampling method (purposive) were mitigated, to an extent, by the researcher ensuring wide demographic representation in the quantitative phase of the study and by the in-depth interviewing in the qualitative phase of the study. The respondents and participants represented both the public and private sectors. The transferability of the study is sound, and the research can be replicated using other classes of employees, in and outside of the country.

### **6.6 Original contribution of the study**

No empirical study exists that authenticates the existing total rewards models and Generation-Y theory. As employers strive to attract and retain high-value young employees, it is more important than ever that employers understand the expectations that young people bring to the labour market (Ng et al., 2010). The present study makes an original theoretical contribution to the body of knowledge by identifying the most important reward preferences of the youth, and consequently developing a new, more effective total rewards framework for the youth.

This research makes an original contribution to the body of knowledge on the youths' preferences and those of the other age groups included in the study. HR practitioners and remuneration specialists should be able to apply the findings in their

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

organisations. To reiterate, theoretically, the research contributes to the reward models or frameworks in terms of reward preferences and attraction and retention strategies.

### **6.7 Recommendations and policy implications**

The preceding sections summarised the research findings. This section offers recommendations based on the study findings, and makes recommendations for future research.

The findings of the present study support those of the CLC (2004), that customised reward frameworks positively impact engagement levels, leading to greater levels of productivity and improved organisational performance. A different approach is required for the attraction and retention of the youth, and the one-size-fits-all approach of the past will not be sufficient in the future. For organisations to survive in the long term, they need to offer customised solutions for attracting and retaining the youth.

### **6.8 Future research opportunities**

Future research opportunities were indicated throughout the report, and are summarised in this section. These research opportunities include a study of unskilled labour and inclusion of employee discounts, retirement fund considerations, allowances, and sabbaticals/extended leave opportunities in total rewards offerings.

The focus of this research was on the rewards preferences of skilled, young employees. Although the research used quantitative data for non-graduates, non-graduates were not included in the qualitative phase of the research. Future studies could include interviews with non-graduates.

Retirement funding is a concern for South African organisations, and, generally, their perception is that youths are not interested in saving towards their retirement, which was disproved in this study. Focused research is required to understand this phenomenon better, and to develop options for consideration by the youth, which could be linked to the Life-stage Model.

## DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

This study highlighted that youths value employee discounts more than previous generations did. From the interviews conducted, it would appear that not all benefits attract and retain them, but if the benefits have perceived value, they retain employees. Further studies are required in this regard to understand what benefits youths value and will therefore act as attractors and enhance their retention in organisations.

It also appears that the need for sabbaticals is industry-dependent, and may be applicable to specific fields, such as medicine and academia. Youths value personal development and a work–life. Few organisations offer sabbaticals, which presents the opportunity to study the role of sabbaticals in retention.

Housing, car, food, and many other allowances are fast becoming obsolete reward elements (Bond, Galinsky & Swanberg, 1997). Many of these allowances have been discontinued due to tax concerns and the administrative burden placed on organisations. The youths' responses to the open-ended questions posed in the quantitative phase of the research indicated that car- and food allowances are attractors. This also presents an opportunity for future research.

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## APPENDIXES

### Appendix A: Research questionnaire

#### Informed consent for participation in an academic research project

#### A Total Rewards Framework for the Attraction and Retention of the Youth

Dear Respondent

You are herewith invited to participate in an academic research study conducted by Keshia Mohamed-Padayachee, a student in the Doctoral of Business Leadership at UNISA's Graduate School of Business Leadership (SBL).

The purpose of the study is to investigate what rewards are important to attract and retain employees to organisations. Rewards are defined as everything an employee perceives to be of value resulting from the employment relationship.

All your answers will be treated as confidential, and you will not be identified in any of the research reports emanating from this research.

Your participation in this study is very important to us. You may, however, choose not to participate, and you may also withdraw from the study at any time, without any negative consequences.

Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 10-15 minutes of your time, and consists of two parts, Part A: Demographic Data and Part B: Survey Questions.

The results of the study will be used for academic purposes only, and may be published in an academic journal. We will provide you with a summary of our findings on request.

## APPENDIXES

Please contact my supervisor, Dr. Mark Bussin ([drbussin@mweb.co.za](mailto:drbussin@mweb.co.za)) if you have any questions or comments regarding the study. Please sign below to indicate your willingness to participate in the study.

Yours sincerely

Keshia Mohamed-Padayachee

I, herewith give my consent to participate in the study. I have read the letter and understand my rights with regard to participating in the research.

---

**Respondents signature**

---

**Date**

## APPENDIXES

### Section A: Demographic information

Please mark with an X in the appropriate box:

What is your year of birth?

--

Are you currently employed?

Yes	
No	

Gender

Male	
Female	

Race

Black	
Chinese	
Coloured	
Indian	
White	
Other	

Marital Status

Married	
Single, never married	
Divorced	
Widowed	
Separated	
In a domestic partnership or civil union	
Single, but cohabiting with a significant other	

How many years' work experience do you have?

--

What is the highest level of school you have completed or the highest degree you have received?

Some high school	
High school graduate or equivalent	
Trade or vocational degree	
College, but no degree	

Where you are currently based?

Gauteng	
North West	
Northern Cape	
Eastern Cape	

## APPENDIXES

Associate degree	
Bachelor's degree	
Graduate of professional degree	
Postgraduate degree	
Other (please specify)	

Western Cape	
KwaZulu-Natal	
Limpopo	
Free State	
Mpumalanga	
Other (please specify)	

### Field of study

### Residential status

On your own	
With your parents	
On university premises	
Other (please specify)	

### Your employer?

Private company	
Public company	
Not-for-profit	
Other (please specify)	

## Section B: Total Rewards Options

Please indicate the extent to which you agree or disagree with each of the following statements:

When **joining** an organisation, the following total reward elements are/will be important to me?

Please mark chosen answer with an "X"	Very important	Important	Neutral	Somewhat important	Not important at all
<b>Remuneration</b>					
1. Salary/Pay					
<b>Remuneration elements</b>					
2. 13 <sup>th</sup> cheque					
3. Short-term incentives					

## APPENDIXES

4. Long-term incentives					
5. Share options					
6. Higher base salary with limited bonus potential					
7. Lower base salary with unlimited bonus potential					
8. Lump sum annual bonus payment					
9. Smaller bonuses intermittently					
<b>Benefits</b>					
10. Medical aid					
11. Retirement fund					
12. Leave					
13. Employee discounts					
14. Employee wellness offering (employee assistance programme, wellness centre, gym facilities, crèche facilities)					
15. Sabbaticals, or other scheduled time reductions					
<b>Performance recognition</b>					
16. Non-financial rewards					
17. Formal recognition					
18. Informal recognition					
<b>Career development</b>					
19. Learning and development opportunities					
20. Career/Growth opportunities					
21. Experience working in different organisations to maximise career progression					

## APPENDIXES

22. Experience working in different organisations to maximise career earnings potential					
23. Formal coaching or mentoring programmes					
<b>Work-life</b>					
24. Flexible work arrangements					
25. Corporate social responsibility					
<b>Safety/Security</b>					
26. Longer-term job security (>12 months)					
27. Safe and secure work environment					
<b>Social support</b>					
28. Supportive management					
29. Supportive work environment					
30. Resources					
31. What reward elements <u>not</u> listed above are important to you when <u>selecting an employer</u> ?					

Please indicate the extent to which you agree or disagree with each of the following statements:

The following reward elements has or will have an influence on my decision to **remain** with an employer.

Please mark chosen answer with an "X"	Very important	Important	Neutral	Somewhat important	Not important at all
<b>Remuneration</b>					
32. Salary/Pay					
<b>Remuneration elements</b>					
33. 13 <sup>th</sup> cheque					
34. Short-term incentives					
35. Long-term incentives					



## APPENDIXES

36. Share options					
37. Higher base salary with limited bonus potential					
38. Lower base salary with unlimited bonus potential					
39. Lump sum annual bonus payment					
40. Smaller bonuses payments intermittently					
<b>Benefits</b>					
41. Medical aid					
42. Retirement fund					
43. Leave					
44. Employee discounts					
45. Employee wellness offering (employee assistance programme, wellness centre, gym facilities, crèche facilities)					
46. Sabbaticals, or other scheduled time reductions					
<b>Performance recognition</b>					
47. Non-financial rewards					
48. Formal recognition					
49. Informal recognition					
<b>Career development</b>					
50. Learning and development opportunities					
51. Career/Growth opportunities					
52. Experience working in different organisations to maximise career progression					
53. Experience working in different organisations to maximise career earnings potential					

## APPENDIXES

54. Formal coaching or mentoring programmes					
<b>Work-life</b>					
55. Flexible work arrangements					
56. Corporate social responsibility					
<b>Safety/Security</b>					
57. Longer-term job security (>12 months)					
58. Safe and secure work environment					
<b>Social support</b>					
59. Supportive management					
60. Supportive work environment					
61. Resources					
62. What reward elements <u>not</u> listed above are unique to your organisation which has/will influence your decision to <b><u>remain</u></b> with your employer?					

63. On a scale of 1 to 5, with 1 being the least important and 5 the most important, how do you rank the following by importance when deciding to **join** an organisation?

Remuneration	
Benefits	
Performance recognition	
Career development opportunities	
Work-life	
Safety/Security	
Social Support	

64. On a scale of 1 to 5, with 1 being the least important and 5 the most important, how do you rank the following by importance when deciding to **remain** with an organisation/employer?

## APPENDIXES

Remuneration	
Benefits	
Performance recognition	
Career development opportunities	
Work–life	
Safety/Security	
Social Support	

***This is the end of the survey questionnaire. Thank you for participating.***

If you would like to receive a copy of the results of the study or have any questions or concerns, please contact me, Keshia Mohamed-Padayachee, [786keshia@gmail.com](mailto:786keshia@gmail.com), or my supervisor, Dr. Mark Bussin ([drbussin@mweb.co.za](mailto:drbussin@mweb.co.za)).

### **Appendix B: Research interview guide**

#### **Informed consent for participation in an academic research project**

##### **A Total Rewards Framework for the Attraction and Retention of the Youth**

Dear \_\_\_\_\_

Thank you for your time and agreeing to assist me in my academic research study conducted as part of my Doctoral studies with UNISA's Graduate School of Business Leadership (SBL).

#### **Purpose**

The purpose of the study is to investigate what rewards are important to attract and retain employees to organisations. Rewards are defined as everything an employee perceives to be of value resulting from the employment relationship. The aim of the interviews is to test the preliminary results from the quantitative part of the research. Furthermore, I wish to gain further meaning, experiences, and views that may differ from the results of the quantitative analysis that I am able to generalise and compare.

#### **Confidentiality**

All your responses will be treated as confidential, and you will not be identified in any of the research reports emanating from this research. I will use verbatim quotations in the analysis of the research to demonstrate, inform, or support findings. Your participation in this study is very important to me, and I appreciate you making time to meet with me. You may, however, choose not to participate, and you may also withdraw from the interview at any time, without any negative consequences.

#### **Format of the interview**

This interview should not take more than 30 minutes of your time, and will be led by questions from me. The interview will be recorded for record and transcription purposes, to ensure that I capture your responses correctly in the final analysis of my research.

## APPENDIXES

There are no right or wrong answers. I am merely sourcing your inputs based on your experience.

The results of the study will be used for academic purposes only, and may be published in an academic journal. I will provide you with a summary of the findings upon request. Should you wish to contact me later, please either email or contact me on my mobile; alternatively, you can contact my supervisor, Dr. Mark Bussin ([drbussin@mweb.co.za](mailto:drbussin@mweb.co.za)) if you have any questions or comments regarding the study.

1. Do I have your consent to continue?
2. Do you have any questions before we begin?

### **Background of the research**

To create an understanding of the current issues and experiences when recruiting and retaining employees and potential employees, the researcher provided an overview of the respondents' responses and the hypotheses being tested.

### **Section A: Demographics considered in the first phase of the research**

- Do you or don't you consider demographics in your total reward modelling, i.e. when considering how to pay employees or potential employees, what benefits you offer, such as work-life and career development?
- If you consider demographics, which demographics do you consider and why?
- If you don't consider demographics, why not?
- Do you or do you not consider life-stage modelling in your total rewards model?
- Have you considered it an option?
- Why do you/do you not regard it as important?

**Section B: Total reward options: attraction and retention****Remuneration and remuneration structure**

<b>Remuneration, i.e. Salary/Pay</b>	<ul style="list-style-type: none"> <li>• Do employees, when joining your company, place significant importance on pay?</li> <li>• Do employees turn down offers from your organisation due to pay?</li> <li>• What do employees cite as their main reason when turning down or accepting offers?</li> </ul>
<b>13<sup>th</sup> cheque</b>	<ul style="list-style-type: none"> <li>• What importance or unimportance do you find employees place on a 13<sup>th</sup> cheque?</li> <li>• How is your 13th cheque option structured — as part of the employee's monthly package or in addition to the package?</li> <li>• Do you agree/disagree that employees stay with the company for their 13<sup>th</sup> cheque?</li> <li>• Based on the results, it appears that a 13<sup>th</sup> cheque is not enough to ensure that employees remain in organisations. Is that your experience too?</li> </ul>
<b>Short-term and Long-term incentives/Share options</b>	<ul style="list-style-type: none"> <li>• Do you offer short- and/or long-term incentive bonuses?</li> <li>• What importance or unimportance do you find employees place on short-term and long-term incentives?</li> <li>• Employees rated long-term incentives as more of a retainer than short-term incentives. Is this similar to your experience?</li> <li>• It may be that long-term incentives are more important to younger employees. Is this similar to your experience?</li> <li>• Do you offer your employees share options?</li> <li>• Are employees asking for share options?</li> <li>• In terms of retention, employees born 1981–2000 scored highest regarding the importance of share options. Is this similar to your experience?</li> </ul>

<p><b>Higher base salary with limited bonus potential</b></p>	<ul style="list-style-type: none"> <li>• How are your incentives structured, i.e. higher base with limited bonus potential or lower base with unlimited bonus potential?</li> </ul>
<p><b>Lower base pay with unlimited bonus potential</b></p>	<ul style="list-style-type: none"> <li>• What are employees' views of or response to these approaches?</li> <li>• What other incentive options are employees asking for?</li> </ul>
<p><b>Lump sum bonus payment</b></p> <p><b>Smaller bonus intermittently</b></p>	<ul style="list-style-type: none"> <li>• Do you offer employees incentive bonuses?</li> <li>• How often do you pay these bonuses?</li> <li>• Has your incentive bonus payment impacted employee retention?</li> <li>• Are employees asking for different incentives or payment options?</li> <li>• Literature indicates that employees born 1981–2000 seek practical and immediate rewards. Is this similar in your experience?</li> <li>• Respondents born 1981–2000 rated smaller bonuses paid intermittently the highest. Is this similar to your experience?</li> </ul>
<p><b>Medical aid</b></p>	<ul style="list-style-type: none"> <li>• The respondents considered this an important when deciding to join an organisation. Have you had a similar experience?</li> <li>• Would you consider an employer who does not offer medical aid, or is this not a factor?</li> </ul>
<p><b>Retirement fund</b></p>	<ul style="list-style-type: none"> <li>• The respondents considered this an important consideration when deciding to join an organisation. Have you had a similar experience?</li> <li>• What benefits, in your experience, are important to young employees?</li> </ul>

<b>Leave</b>	<ul style="list-style-type: none"> <li>• Leave were rated high by all the age categories. Have you found this to be an important consideration for employees?</li> <li>• Do employees ever enquire about the number of leave days they will be entitled to when deciding to join an organisation?</li> <li>• Do employees request compensation for differences in leave days when they join if they received more leave days at their previous employer?</li> </ul>
<b>Employee discounts</b>	<ul style="list-style-type: none"> <li>• How important are employee benefits to you as an attractor or retainer when deciding to join or leave a company?</li> <li>• Do you or don't you offer any employee discounts?</li> <li>• Is this something employees enquire about?</li> <li>• Respondents born 1981–2000 scored this element the highest. Have you found that younger employees are more interested in employee discounts than previous generations?</li> <li>• Do or don't you find that employees consider this a retaining factor when deciding if they will leave or stay with a company?</li> </ul>
<b>Employee wellness offering</b>	<ul style="list-style-type: none"> <li>• What wellness offerings do you provide?</li> <li>• Respondents born 1981–2000 viewed this benefit as more important than the other two categories of respondents did. Has your experience been similar?</li> </ul>
<b>Sabbaticals or other scheduled time reductions</b>	<ul style="list-style-type: none"> <li>• Do you offer sabbaticals or extended time off for employees?</li> <li>• Are you finding that employees are requesting more time off than previously for sabbaticals or extended time off?</li> <li>• Do you find that this acts as a retainer for employees?</li> </ul>
<b>Non-financial rewards</b>	<ul style="list-style-type: none"> <li>• Does your company offer non-financial rewards?</li> </ul>



<b>Formal recognition</b>	<ul style="list-style-type: none"> <li>• Do you have a formal recognition programme?</li> <li>• How are employees responding to this programme?</li> <li>• What is the response from your young employees?</li> </ul>
<b>Informal recognition</b>	<ul style="list-style-type: none"> <li>• Do you have an informal recognition programme?</li> <li>• How are employees responding to this programme?</li> <li>• What is the response from your younger employees?</li> </ul>
<b>Learning and development opportunities</b>	<ul style="list-style-type: none"> <li>• Is this an important consideration for employees when deciding to join an organisation?</li> <li>• Do you receive many requests for training and development opportunities?</li> <li>• Respondents scored this higher than pay when deciding whether or not to stay with an organisation. Have you had a similar experience?</li> </ul>
<b>Career/Growth opportunities</b>	<ul style="list-style-type: none"> <li>• What has your experience been with respect to career- or growth opportunities for youth employees?</li> </ul>
<b>Experience working in different organisations to maximise career progression</b>	<ul style="list-style-type: none"> <li>• Research indicates that young employees have a higher tendency than previous generations of remaining with the same employer. Are you experiencing the same results?</li> <li>• Are you finding that young employees are leaving your organisations to maximise their career progression?</li> </ul>
<b>Experience working in different organisations to maximise career earnings potential</b>	<ul style="list-style-type: none"> <li>• Research indicates that youth employees have a higher tendency than previous generations of remaining with the same employer. Are you experiencing the same results?</li> <li>• Are you finding that employees are leaving to improve their salaries with a different employer?</li> </ul>
<b>Formal coaching or mentoring programmes</b>	<ul style="list-style-type: none"> <li>• Does your organisation offer a formal coaching and mentoring programme for young employees?</li> <li>• Based on your experience, does this influence young employees' decisions to join or stay with your organisation?</li> </ul>

## Work-life

1. What are employee asking for with respect to work-life?

## APPENDIXES

2. Do you have policies on work–life?
3. Do work–life options influence potential employees to join your organisation?
4. Do your work–life options/policies influence employees' decision to remain with your organisation?

<b>Flexible work arrangements</b>	<ul style="list-style-type: none"><li>• Do you have any flexible work arrangement policies?</li><li>• Has this been requested by employees?</li></ul>
<b>Corporate social responsibility opportunities</b>	<ul style="list-style-type: none"><li>• Respondents viewed this as important when considering joining an organisation. Has this been your experience?</li></ul>
<b>Longer-term job security (&gt;12 months)</b>	<ul style="list-style-type: none"><li>• Are you finding that youth employees are seeking longer-term job security more than previous generations?</li></ul>
<b>Safe and secure work environment</b>	<ul style="list-style-type: none"><li>• Are you finding that employees are turning down job offers due to location?</li><li>• Does your location influence your turnover?</li></ul>
<b>Supportive management</b>	<ul style="list-style-type: none"><li>• Supportive management scored higher than a supportive work environment, illustrating the continued importance of leadership. What are your views in this respect?</li></ul>
<b>Supportive work environment</b>	<ul style="list-style-type: none"><li>• How important do you think a supportive work environment is?</li></ul>
<b>Resources</b>	<ul style="list-style-type: none"><li>• How important do you think resources are to the youth?</li></ul>

### Top-ranked options for attraction and retention

Do the results reflect or not reflect what you have experienced in your organisation?

***This is the end of the interview. Thank you for participating.***

If you would like to receive a copy of the results of the study or have any questions or concerns, please contact me ([keshia2@telkomsa.net](mailto:keshia2@telkomsa.net)) or my supervisor, Dr. Mark Bussin, ([drbussin@mweb.co.za](mailto:drbussin@mweb.co.za)).

### Appendix C: Chapter 5 interview responses

This section presents direct quotations from the interviews by code grouped by total rewards category, element and group (Youths, and HR practitioners). The narrative presents the participant responses beginning with the researcher specifying the category and codes classified under each category, wherein emerging codes were also noted. The researcher provides relevant selected portions of the participants' responses, to corroborate the findings from Chapter 5, Section 5.3.2.

The responses were required by the researcher to validate the findings presented in Chapter 5. Appendix D, provides a further table with the transcripts by category and code.

#### 1. Life- and career stage models

As described in Chapter 5, codes, which emerged in this category, included *Qualification* and *Years' experience*.

#### ***Youths' responses***

The researcher asked the youths: ***In your view, should organisations consider life stages when designing total reward options?***

One of the participants' response to this question was: *"Now, everything has changed, because now my responsibilities are bigger. I had my baby, and it would definitely be remuneration, and I would not just leave, because there are still things I need to achieve here, and I'm fairly new — just over a year — so the only thing that would cause me to move is a good salary"*. This response validated the findings that life stages does influence the importance the youth places on reward options.

Availability to travel was also linked to life stages, one participant's response was, *"...before this, I travelled, and it was not a problem, but now that I have a baby, my priorities have changed."*

Another interviewee responded, *"...now, I won't go. Before, I'd do it, but now I won't do it."*

Medical aid was also linked to life stage. One interviewee stated, *“It is very important, especially now that I have a family. It’s important to have a medical aid for emergencies and day to day.”*

### ***HR practitioners’ responses***

The question the researcher posed to the HR practitioners was: ***Does your organisation consider life-stage modelling in its total rewards offering?***

A participant stated, *“Initially, it was a one-size-fits-all, but we realised that we were losing a lot of sales people, and it was out of proportion, and we sat down with HR, and from an HR point of view, we needed to understand why people were leaving. We then did exit interviews and also focus groups with the sales people who were currently working in the company and also their bosses and those who had left, to understand why they were leaving.”*

The same question was posed to a recruitment specialist and her responses was, *“With the Equity Act, we are trying to balance the races. When we’re doing our adverts, we do state that this is an EE position. So, already, for people trying to apply, they already know that, ‘If I apply for this position, this is what it represents.’ I would not say it’s to attract people, but it’s what it represents, but then some people do get attracted by that.”* This has no direct link to life stages but it provided the interviewer with insight into what recruitment specialists regarded as important when recruiting employees. The researcher therefore allowed the response, interpreting it to imply that statutory requirements were regarded as important.

## **2. Remuneration**

Included in this category where the codes *Salary/Pay*, *13<sup>th</sup> cheque*, *Short-term incentives*, *Long-term incentives*, *Share options*, and codes related to frequency of payments and structure of pay. The emerging codes were *Qualifications* and *Work experience*.

### **Salary/Pay**

#### ***Youths' responses***

The question asked of the five youths was: ***When thinking of joining a company, what are the most important elements for you?***

The response from the first participant was: *"Obviously pay, but in the sense that I am being paid based on where I am, in line with my qualifications and work experience."*

The second participant responded: *"Happiness in what you do is more important for me than pay. Pay is a very important factor, based on our lifestyle. So, you can't run away from it and say money is not important."*

A third participant said, *"For me, personally, environment is the most important — leadership and culture, and then pay."*

The fourth participant was prepared to take risks for pay; her response was: *"If it's a great opportunity and the pay is good, I would accept it and not be concerned with long-term job security."*

#### ***HR practitioners' responses***

The question asked of the HRGs and specialists was: ***Do employees, when joining your company, place significant importance on pay?***

One HRG stated, *"Pay features high, probably the number one factor with young talent ... benefits don't feature as high as pay-in-pocket. Employees push for a higher basic."*

One recruitment specialist said that when asked what they want, whether money or the benefits, they said, *"The money."*

The second recruitment specialist said, *"They turn down offers because of the money, and would exchange benefits for money, if possible."* She said, *"Employees today don't want to work for five years; they give a company a year or two."*

The next question was: ***Do employees turn down offers from your organisation due to pay?***

## APPENDIXES

The response from the one HR practitioner was: *“When employees turn down offers, it is primarily because of the pay they are being offered.”* Another practitioner said, *“We don’t disclose the amount of salary that we are offering when we advertise. So, people will call and still ask, and then you ask, ‘Do you want the job or do you want money?’ and some people will tell you blatantly: ‘I want the money.’ The money issue, the salary, is highly important, and obviously for different reasons to different people.”*

One recruitment specialist responded: *“Yes; not a lot. Our company is good at satisfying people. There is a lot of people who are saying: ‘This is not what I want, and I want this,’ and they try and accommodate, but some people do turn down the offers. Nothing else, because of the pay.”*

The second recruitment specialist’s response to this question was: *“The youth are very clear about what they want. They are self-educated, competitive, and have their goals.”*

The remuneration specialist’s view was: *“They are seeking competitive salaries and benefits.”*

The OD executive stated, *“It’s still top of the list with us, and then followed by flexibility, and ‘allow me to innovate.’ I think it was leadership, then pay.”*

The second OD specialist her response was: *“Leadership determines the culture and environment in an organisation, and it’s important that there is a balance between the two.”*

One practitioner stated that the youth seek market-related salaries: *“At our organisation, we’re paying at the 75<sup>th</sup> percentile of the market.”*

### 13th cheque

#### ***Youths' responses***

The question asked was of the youths was: ***If you had to receive an employment offer today and the company did not offer you a 13<sup>th</sup> cheque, would that prevent you from leaving your employer?***

One youth replied: *"It wouldn't really."*

For the second youth it did not matter: *"Look, it depends what the other benefits are, so I would weigh my options. If the overall total package is good and you can just put aside an amount, I can just compromise on that."*

The fifth youth stated, *"I do get a 13<sup>th</sup> cheque, and opted for this option to be structured in my package, because I know that I am really bad with saving and would ordinarily not save for December."*

#### ***HR practitioners' responses***

The question posed was: ***What importance or unimportance do you find employees place on a 13<sup>th</sup> cheque?***

One HRG believe was: *"...because employees believe they must live for now."*

The remuneration specialist responded *"...yes, very important... It is, however, not seen as an attraction or retention factor. The short-term incentives serve that purpose. Employees receive a 13<sup>th</sup> cheque, short-term incentives, and gain shares, and that's quarterly. So, this is just part of the offering, and contributes to our low turnover rates."*

One OD specialist's experience was *"...so, 13<sup>th</sup> cheque, they look at it as part of the salary, because they structure it like that, so the performance bonus is more important to them."*

### **Short-term incentives**

*Pay for performance, Performance-based pay, Performance-based incentives, and Short-term planning* also emerged from the data.

### ***Youths' responses***

The question asked in this category to the youth was: ***What importance or unimportance do you place on short-term incentives?***

Of the youths interviewed stated, *"Incentives are great, but it's not enough to make me stay."*

### ***HR practitioners' responses***

The question posed was: ***What importance or unimportance do you find employees place on short-term incentives?***

One recruitment specialist: *"People ask me mostly about the salary, not the incentive bonus. I think they ask that more when they already started to work, but not at the beginning."*

The view of the second recruitment specialist: *"More money. They leave their permanent positions for contract positions because they want to earn more money. They want work-life balance, more money, medical aid, and retirement."*

The response from the remuneration specialist: *"lucrative and does keep youth employees from leaving the organisation."* He added: *"We have a gain share scheme for our bargaining unit employees, which is paid out quarterly ... which works well to motivate teams."*

One OD participant stated, *"It motivates and encourages them to perform well."*

### **Long-term incentives**

#### ***Youths' responses***

The question posed in this section was: ***What importance or unimportance do you place on long-term incentives?***



One interviewee responded: *“Not for me. I would not want a long-term bonus. It would not retain me or motivate me. It's too long to wait; at some point, I might forget that it's coming.”*

### **HR practitioners' responses**

The question posed in this section was: ***What importance or unimportance do you find employees place on long-term incentives?***

One HRG said, *“The youth are not for long-term incentives or short-term incentives... If they were given an option, they would not want a retirement fund.”*

Of the OD specialists: *“That's true. Right now, we're doing the talent assessments. People know that the talent assessments outcome gives them the opportunity for long-term incentives, so you will see that people are on their toes. So, I think that it is important, and people who do not qualify want to know why. But it's only at leadership levels, and a selected few would qualify.”*

The second OD specialist stated, *“Long-term incentives support the company's retention strategies, because it's lucrative and paid once, and you invest part and the other 50% vests after three years without a work-back clause, but it is linked to performance ... you need to maintain your performance and talent cluster.”*

### **Share options**

#### **Youths' responses**

Participants were asked: ***In terms of retention, employees born 1981 to 2000 scored highest regarding the importance of share options. What is your opinion on this?***

One of the youths expressed the following view: *“Shares won't motivate me to stay. You have to pay for it ... but if someone gives me a better offer on my current salary, then I'll take it. It won't make me stay. Over and above, you're waiting for that lump sum of money and, in-between, you're living. I would not stay, but it is a motivating factor.”*

## APPENDIXES

The following was a response from one of the participants: *“I was interested in being part of this company, and so, now, if I own shares, I know that I am here to stay. I'm really part of the company. You know, if you're part of something, if you own shares here, you would not do anything destructive, because you are actually hurting yourself directly now. It will be a motivator. 'Let me perform, let me push those targets.' I have a hand in it. I have a slice of [the] cake, and I am also part of the company. I actually own a little bit.”*

### ***HR practitioners' responses***

The question posed to the HR practitioners was: ***What importance or unimportance do you find employees place on shares?*** The second question asked was: ***Do you offer your employees share options?*** The final question was: ***Are employees asking for share options?***

The HR practitioners stated that their companies did not offer shares and could therefore not comment. The recruitment specialist stated that prospective employees do not ask about share options. The remuneration specialist's experience that the gain shares offered to employees retained them.

### ***Higher base salary, and lower base salary***

The interviewer assessed the interest in a higher base salary with limited bonus or a lower base salary with unlimited bonus.

### ***Youths' responses***

The question posed to the youths was: ***If you could choose between a higher base salary with limited bonus potential and a lower base salary with unlimited bonus potential, what would you choose, or would you prefer to keep receiving a fixed salary?***

One of the participants stated, *“Bonus is based on performance, and it would be a risk to the company to change this, because the results are not guaranteed.”*

### ***HR practitioners' responses***

The question posed to the participants was: ***If employees had the choice, what do you think they would opt for: a higher base salary with limited bonus potential or a lower base salary with unlimited bonus potential, or do you think they would prefer to keep receiving a set salary?***

A participant responded: "Sales people receive a low basic salary with higher variable pay."

One OD specialist responded: "If pay was number one, why would I want to go with a lower base?"

### **Smaller bonuses, paid intermittently**

#### ***Youths' responses***

The interviewees were asked to indicate whether they agreed with the statement: ***People seek immediate rewards. They don't want rewards once a year, but prefer to have these divided into payments made quarterly.***

Of the youths one said, "Partially, I do. Actually, I agree with that one hundred percent. I don't believe that you should wait for something. Not only your pay, but promotion, stuff like that. So, I know there is a structure, and you can't just push people to the top if they haven't worked, but I believe if something is there and the reward needs to be given, give the reward. I don't believe you have to wait a certain time."

The second youth responded: "It would, definitely. Throughout the year, you find, halfway through, you become demotivated and you start slacking, and that contributes to your final. So, if you know every three months ..., you don't get a chance to start slacking, because you know, 'I must push, because it's incentive time.' It's also a motivating factor, a constant motivating factor."

The third youth responded: "I totally agree, because, sometimes, saying 'Thank you for doing your work' is not enough. Sometimes I need a little... When you're working and you know you're going to be earning something, it's not the same as volunteering to do it. If I do A, B, C, and I do it well, I am guaranteed some money. That is

## APPENDIXES

*motivation enough, and the younger generation, we're more interested in money. I would not say money is the only thing, but it's the sweet to the child. It's the driver for us. It's easy to attract us with money. So, now you also need to know if you're performing well. Sometimes I need to be reminded, 'Yes, you're performing well. Here is your bonus.'*"

Of the youths who preferred an annual bonus, the first said, *"I would not be interested in intermittent payments. I would prefer an annual lump sum, which would be larger than the interim payments."*

The second youth said, *"The way it works now is fine for me — to get it once a year — if it's the same amount. In fact, I would not want it differently, in quarters."*

### ***HR practitioners' responses***

The interviewees were asked to indicate whether they agreed with the statement: ***People seek immediate rewards. They don't want rewards once a year, but prefer to have these divided into payments made quarterly.***

The view of the HRG executive: *"requires a very high-performance culture."*

The recruitment specialist: *"The contract employees receive quarterly increases, which they love! Every quarter, they would receive an increase in their salary, which really motivated and retained them."*

### **3. Benefits**

The codes classified under this category included *Medical aid, Retirement fund, Leave, Employee discounts, Employee wellness offering, and Sabbaticals or other scheduled time reductions*. The code that emerged under this category was *Study leave*, and was grouped under *Sabbaticals or other scheduled time reductions*.

#### **Medical aid**

##### **Youths' responses**

The question posed to the youths was: ***Would you consider an employer who does not offer medical aid, or is this not a factor?***

One participant who saw it as a very important benefit said: *“It is very important, especially now that I have a family. It’s important to have a medical aid for emergencies and day to day.”*

Another youth stated, *“It would, because it would mean I would still have to have medical aid and obviously find a way of working it into my package. So, yes. If they don’t offer it, the package must be good, but I would try and negotiate, and we’re speaking about subsidising the medical aid.”*

One youth who did not think medical aid was important stated this as the reason: *“I don’t believe that you must have a low salary because you have medical aid and a retirement fund. I can take out my own medical aid, because companies have limited options. You should choose for yourself what cover you have and how it should be structured.”*

### ***HR practitioners’ responses***

The question posed to the HR practitioners was: ***The respondents considered this an important consideration when deciding to join an organisation. Have you had a similar experience?***

One HRG said, *“You find that the low-earning employees sometimes feel it is expensive ... but what we have done is give them education and examples of people who did not have medical aid, and when they became sick and had to be boarded.”*

For the recruitment specialist her experience was that, *“Where there is no medical aid, they pay for their own medical aid and retirement fund.”*

The recruitment specialists agreed that medical aid is important: *“They do worry about medical aid benefits.”*

The view of the remuneration specialist: *“Although not everyone, but more than 60% of them are members of the medical aid.”* He further agreed with the findings from

## APPENDIXES

Phase I, stating: *“People are looking for ways for companies to subsidise medical aid. We subsidise R1 100, which is paid like an allowance.”*

The OD specialist view that medical aid is not important for the youth stated: *“They are satisfying their immediate need and not being responsible.”*

### Retirement fund

#### ***Youths’ responses***

The question posed to the youths was: ***If an employer did not offer a retirement fund, would you consider that offer of employment?***

One of the participant’s responses was: *“If they did not offer [a retirement fund], I would probably do my own thing, but it would not be a deal-breaker.”*

A third youth’s opinion was: *“The thing is, the youth of today, we don’t want to work until we’re 60. You want to work hard whilst you’re still young, and retire early, and then do your thing.”* This interviewee articulated that she would like the option to begin saving towards retirement later in her career, and use the first few years’ income to buy a house and a car. She said, *“If I don’t want to contribute to pension until I am thirty, allow me to do that.”*

For the fifth youth: *“I would say, more than pay. If I could save more now towards my retirement, that would be beneficial for me, because I would rather live average now, and then, when I retire, I know I’m totally comfortable.”*

#### ***HR practitioners’ responses***

The question posed was: ***The respondents considered this an important consideration when deciding to join an organisation. Have you had a similar experience?***

Another HRG agreed that a retirement fund is important to employees, but voiced a concern: *“Employees contribute towards a retirement fund, but when they leave they do not transfer the money saved to a preservation fund or retirement annuity — they encash it.”*

The third HRG said, *“Retirement fund is compulsory, and they have no choice but to join, but there is a peculiar thing about a retirement fund. When people leave, when they are in financial difficulty, they want to cash the retirement fund.”* For this executive, there was *“no understanding of the value of the retirement fund; they want to cash it and pay off their house or pay off their debts, in other words, they are using long-term investment for short-term debt.”*

The OD specialist reported: *“The youth want flexibility and the option to begin saving towards a retirement fund later, which will allow them the opportunity to buy a house and car when they begin working.”*

The second OD participant shared a similar sentiment: *“A retirement fund was not favoured very highly, because they’re saying, ‘I want to buy a car and it takes a huge portion of my salary. Rather put a restriction on age.’”*

### Leave

The emerging codes in this category included *Study leave*, which was clustered under *Sabbaticals and other scheduled time reductions*. The youths considered study leave part of *Sabbaticals and other scheduled time reductions*, while the HR specialists considered it part of *Leave*.

### Youths’ responses

The question posed to the youths was: ***This is a generation who ‘works to live,’ which is different from previous generations, who ‘lived to work.’ Do you agree with that statement? How important is leave to you?***

One participant responded: *“Leave is very important, because, and I only realised it last year ... you learn why the leave is there and how to take it. You need a break from everything, so leave days is what I encourage staff to do... So, you’re taking two weeks off, you’re almost off for a month. So, you get time to rest and you get a time break away from the work environment. You don’t think about it, because physically, emotionally, and spiritually it’s draining to constantly be in a work environment, or, when you off, you’re thinking about work, you’re worried about work and you wanting*

*to phone in. So, I always encourage them: 'When you're on leave, you're on leave. Forget about work. When there is a crisis, we'll deal with it.' It's very, very, very important for me, and I don't have children, so I can only imagine how much more important it is for them and how they could do with more leave days."*

For a second youth, stated, *"I do think about it, and it has been different everywhere, but it would not be a deal-breaker. I'm not one to take a lot of leave, and my family comes first, and that is my priority. I will take leave if required for my family, but, other than that, I'm not opportunistic, and it's not my priority. I will look at it, but it's not the most important thing."*

For a third participant her response was: *"It would all depend on the package they're offering me. I believe that, with certain things, you have to sacrifice other things in order to benefit in other areas. It just depends what's more important to me at the time. Leave, for them, would not be a deal-breaker, and there are other benefits, and they would find a way to work around it. Leave is important, but not critical, when deciding on a company and choosing between pay."*

### ***HRGs' and specialists' responses***

The question posed to the HRG and specialist participants was: ***Leave was rated high in all the categories. In your experience, is this an important consideration for employees?***

The HRG agreed: *"Leave is always going to feature high, and I just had an employee who was negotiating his leave because he was getting 32 days at his previous employer. Leave is contentious, and people want more leave all the time."*

The follow-up question posed was: ***Do employees request compensation for differences in leave days when they join, if they received more leave days at their previous employer?***

*"I recently had someone that was negotiating because they were joining one of the companies who had 15 days' leave, and they were negotiating for two or three more leave days."*



The second HRG's view was: *"The dynamics have changed, because, before, you could encash your leave, and now the only time you get your leave is when you resign or are retrenched."* In her experience, employees value their leave and do not want to work long hours: *"I see that a lot of young people, even females, are ... saying they don't want to come and work on a public holiday..., 'So, don't put me in the roster, because I want to be with my family.'"*

One recruitment specialist stated: *"Most employees are studying, and request information on study leave and sick leave. Family responsibility leave are other categories enquired over."*

### **Employee discounts**

#### **Youth's responses**

The question posed to the youths was: ***How important are employee benefits to you as an attractor or retainer when deciding to join or leave a company?***

One participants' response summed up the responses of the other interviewees: *"...this is an important consideration, but would not influence my decision to stay or join the company."*

#### **HR practitioners' responses**

The question posed to the HRGs and specialists was: ***Do or don't you find that employees consider employee benefits a retainer when deciding if they will leave or stay with a company?***

One HRG said, *"Employee discount is a nice-to-have, but not an essential for them."* The second view was: *"This does not act as a retainer, and is also not an important factor for employees when they join."*

One recruitment specialist commented: *"This is not an important factor, and, at times, they don't even know about discounts until they are there a few months."* The second said, *"They're not too phased with that, and, again, it depends on the industry."* She

added, *“If employers do offer discounts, it must be discounts that they see as relevant and able to use in their everyday lives.”*

### **Employee wellness offering**

#### **Youths' responses**

The statement posed to youths was: ***Respondents born 1981 to 2000 viewed this benefit as more important than the other two categories of respondents in the quantitative phase of the study. Do you agree or disagree with this result?***

A youth was concerned that his company had a wellness offering, but the youth were not taking this up: *“My generation is not interested in wellness that much. Only if a person puts on weight a little, then they worry. Normal stuff. It's not as big and as active as it should have been.”*

Another participant stated, *“Wellness is important, and the company currently has a good wellness programme in place. This is an important consideration when deciding on a company.”*

The response from a third participant was: *“Not really. I'm finding that people are not really worried about their health, and it's a bit worrying. There is a lot of people who have joined the gym, but they don't go. They just like the fact that, ‘I have joined the gym,’ but the wellness people are not 100%. Medical aid, that is the only thing that interests them in the wellness department.”*

The four interviewees who felt that wellness is important said they would be attracted to organisations who offered wellness programmes. One of these interviewees said, participant said: *“Yes, it would be, and would make my life so much easier. Yes, it would definitely attract me to a job one day.”*

The fifth interviewee said, *“That's important. It shows that the organisation takes care of their people.”* She added that it would attract her to an organisation: *“At least, if they do have some form of employee assistance programme, it attracts me, because it means that they do prioritise their people, and that is important. It says something*

## APPENDIXES

*about the culture. So, when I heard about the wellness at my current company, I was actually drawn to it. I appreciate it if it's there."*

### **HR practitioners' responses**

The statement posed was: ***Respondents born 1981 to 2000 viewed this benefit as more important than the other two categories of respondents in the quantitative phase of the study. Has your experience been similar?***

The HRGs disagreed on the importance of an organisation offering a wellness programme of which one stated, *"Manufacturing Standard has that benefit, so there are wellness centres that every plant has in terms of the Occupational Health and Safety Act, and from a corporate wellness perspective, there has been no requests. Wellness Day is met with resistance at head office, because people don't see the value."*

The company of the second participant saw wellness offerings as important: *"The youth at this organisation has scored high for wellness."*

The third interviewee's company supported factory workers' welfare through primary healthcare, as they did not have medical aid, and, for them, this was an important benefit.

One recruitment specialist, in her experience, found that employees are not concerned about their health, and do not enquire about wellness offerings during the recruitment process.

The second found that preferences in this regard differ from industry to industry; e.g., employees within the financial services sector are very interested in wellness offerings. In her experience, it also depended on leadership; where there was a service provider managing wellness, employees were very enthusiastic about it. Her view was that the youth wants gymnasiums and counselling.

At the remuneration specialist's company, the wellness programme had been communicated extensively, and was used by employees.

### **Sabbaticals or other scheduled time reductions**

#### **Youths' responses**

The question asked in this category was: ***Are you interested in sabbaticals or extended time off?***

*"It could be something that I would be interested in, because you can't, with the current study leave that we have, do much.... You have to tap into your own personal time on weekends, so that would help."*

#### **HR practitioners' responses**

The question asked in this category was: ***Are you finding that employees are requesting more time off than previously for sabbaticals or extended time off?***

One HR executive noted that: *"Sometimes, they do try and take a chance, but they know that we don't have. Even study leave — if they want to take ten days to attend study school, they need to take it from their annual leave if they have exceeded their study leave", he said.*

According to the OD executive, *"Not a lot of people have used this. When we initially introduced the policy, many employees were interested, until they were advised that it would be unpaid time off. This does not act as a retainer for employees."*

### **Performance recognition**

This category included the codes *Non-financial rewards*, *Formal recognition*, and *Informal recognition*. The emerging code was *Years of service*.

#### **Youths' responses**

The youths were asked: ***How do you feel about the recognition and programme?***

A youth participant responded: *"For the formal recognition, we send the nominees and we motivate, and other people decide. So, because it's not an internal decision that's made on the winner ... they don't question, and just take whatever comes."*

## APPENDIXES

Another youth participant commented: *“It provides the platform to recognise my contribution and fulfil my need to be recognised and rewarded.”*

One participant felt that recognition would not incentivise her to do more, stating that *“I’ve had too many of those, so it’s okay. I’m not motivated by that. I set my own standards, and I try and achieve my goals and work at those standards, and I don’t need a pat on the back all the time. I’m doing my job. I should be doing this. You don’t need to say ‘Thank you, thank you,’ all the time. I’m not going to leave my job because you don’t say thank you, and I’m not going to cry over it.”*

One of the participants who viewed it as important stated: *“Employee of the Year and Supervisor of the Year — that’s what I would work towards — the formal part of it, and not the informal part of it”,* the interviewee said.

For informal recognition a participant noted, *“It’s like they just recharged our batteries. ‘Oh, you do see us running around! Oh, you do see us leaving here after hours! Oh, you do see us working throughout lunch...’ Even an email — you will be surprised what that will do to you. It makes me want to work even harder; it makes me want to impress you even harder ... keep working hard so that my manager can say, ‘Well done.’ For example, our executive manager is always saying ‘Well done. I see you’re doing well.’ So, every time when she walks past, if you’re on your phone, you drop it; you want to show her that you’re working, because of the feedback she constantly gives us. She is not aware of what she does, but that feedback pushes me, it makes me want to do even more for the company, even more for my managers.”*

A second interviewee’s view was: *“I’d be happy, definitely. I’d be over the moon, but I don’t think it would have that much of an effect on me. I’d be like, ‘Thank you,’ and that’s it.”*

### HR practitioners’ responses

The question posed to the HRGs and specialists was: ***How do youths respond to formal recognition programmes?***

## APPENDIXES

An HRG noted: *“People were saying they did not just want branded merchandise, they wanted much more, and we started to give overseas trips, and people loved that ... improving turnover. Now we’re no longer worried about losing people, we’re attracting.”*

The remuneration specialist’s response was that employees are very motivated by non-financial rewards, and his organisation has both formal and informal recognition programmes.

The second HRG said: *“Employees are very interested in the awards. When it started, not everyone was interested, and then the second and this year’s nominations had significantly increased, and employees were actively participating.”* The second HRG stated, *“Employees love the awards and gifts that are given.”*

The HRG executive’s response was: *“The focus is on teams, and not always the individual, which works well. Recognition works like magic. Employees who do not have cars will make sure that they attend the recognition function. They love it, and some of the areas do team building and everyone wants to attend. Interestingly enough, senior people love recognition too.”*

Another HRG’s experience was that: *“Formal recognition is a celebration in front of people and the announcements on e-mail, with runner-up,”* which she found greatly motivated employees.

The OD executive held the view that: *“Recognition incentivises employees, particularly the youth, and they love it and what we do ... if you’re nominated, your spouse also benefits. We go out of our way to make sure it’s the best of the best, and we make them feel special.”*

The second OD specialist stated: *“I think, the informal one; the response is better. You find people taking their selfies and writing about the fact that they got an informal recognition. I find, people want to be spoken to more than anything. They know that they will get their salary, but people want to be told they are doing well. Lunch with an*

*executive is very important, lunch at an exclusive venue is very important, branded material, for some people, is very important.”*

The view of the recruitment specialist was that: *“Employees prefer both formal and informal recognition, but it is important that it must not be an event. They prefer on-the-spot recognition. It’s more of a process if you do it on a more regular basis, as opposed to the once-a-year event. They frown upon that.”* The OD specialist commented: *“When recruiting, employees do not ask about the recognition programmes. Perhaps during induction, they will ask.”*

#### **4. Career development**

The codes that formed part of this category were *Career/Growth opportunities, Learning and development opportunities, Experience working in different organisations to maximise career progression, Experience working in different organisations to maximise career earnings potential, and Formal coaching or mentoring programmes*. Furthermore, *Bursary opportunities* had emerged as a code from Phase I of the study.

##### **Career/Growth opportunities**

###### **Youths’ responses**

The question posed was: ***The results of the quantitative phase of my study indicate that career growth opportunities are seen as more important than pay. Do you agree or disagree with this statement?***

The youth participant’s response was: *“Career growth is one of the most important things. I think, our generation, we are more educated. When I say educated, I mean overall. So, we’re exposed to everything, and we have access to all kinds of information all the time. So, I think, today’s generation, me and my friends, my age group, we know the importance of not going in a job and being a potato. So, I think, the fear of my age group is going into a job ... and you can’t get out.”*

The second youth’s response was: *“We move around, because, what you find with our company, they don’t provide bursaries, studies, courses; they don’t provide any of that. So, you apply for another job, because you want to study. ...you need a better job*

*with better pay. So, career growth would also link to your studying. The more you're studying, the more opportunities you have. Where I am staying in one company all the time, you don't grow...; you know the company, and that's it. There is no growth. So, currently, where I am, if I need to stay there for another five years or two or three years, whatever, it may be I'm stuck, because the structure of our company is: someone literally has to leave and not be there in order for you to qualify for a better position."*

The third participant related: *"We ... used to go to school and varsity and then work. We are so used to climbing a ladder. You need to be able to move from one place to another. Career development is very important, it's super important."*

One participant commented: *"I think it's a balance of importance. You can keep going up, but also have pay."*

Another said, *"I think, to remain positive and keep wanting to go, I would have to be compensated. So, I think, if I don't get enough pay, then I'm probably not going to want to grow in that organisation, and want to go somewhere else."*

### **HR practitioners' responses**

The question posed was: ***The results of the quantitative phase of this study showed that career growth is seen as more important than pay. What has your experience been with respect to career or growth opportunities for young employees?***

One HRG's response was: *"In 2015, career development was cited as the number one reason for people leaving."* The second HRG commented: *"Young individuals have indicated that they don't see opportunity here, and that is because people don't leave, so they left. Where they're going, they either got a promotion or better opportunity or more opportunity for growth."*

The third HRG said, *"...it's more at senior level. People who have been waiting for promotion and feel overlooked would go elsewhere. You will get one person per year who does that. There are people who don't want to move, because they are making*



## APPENDIXES

*so much money and are content to stay in their positions.” This interviewee further said, “Career development is also very important for people when they join, although there is room for improvement, because the leaders who are there have always been there, and there is no room for a lateral move. We have spoken about rotation of skills, and we’re beginning to see that, but people are looking for hard-earned cash.”*

Another HRG noted: “Career development — this is in the top three for why employees leave.”

The recruitment specialist said, “The youth in general are very interested in their career growth.”

The OD executive: “It’s a very important as part of recognition that employees want to be part of the top development programme. It’s prestigious, and the learning and development opportunities of it. The bursaries and non-formal short programmes are viewed as very important.” As part of the career development plans, this interviewee’s company gave bursaries. In this regard, she stated, “Employees are now saying, ‘You have given me the opportunity to go and study, and now that I have studied and I have the qualifications, I am not given the opportunity to move and grow.’”

In her experience, youths are also saying “...when you attract us, please do communicate the career and learning paths available.’ So, that does become important from a development point of view — what opportunities are available. Career pathing was one of the highest scores. Our turnover is very low, and the people that will leave will really have been struggling for career growth.”

### **Maximise career progression**

#### **Youths’ responses**

The question posed to the youth was: ***Has the need for the experience of working in different organisations to maximise your career progression been a reason you have left a previous employer? Is it important for you to work in different organisations?***

One youth said that, this was one of the reasons why she left her previous organisations. *“I think that's one of the things, maybe at both companies. One of the reasons why I left was that I needed to develop and learn more. I need to be challenged and exposed to new things”,* she said.

The second participants view was: *“The worst thing is going to work, coming home, going to work, coming home. There is nothing that you look forward to ... and you're not networking.”*

A third participants view was: *“The more experience I can gain, the quicker I can climb the ladder, and that will also change in time, because not all people can move.”*

### **HR practitioners' responses**

The question posed was: ***Research indicates that young employees have a higher tendency than previous generations to remain with the same employer. Are you experiencing the same, or are you finding that young employees are leaving your organisations to maximise their career progression?***

The response from the recruitment specialist was that, *“The youth do move around a lot, and this generation of youth employee has many entrepreneurs, and some refuse to work for a boss. They prefer contracts over permanent positions in certain industries and believe in taking their careers into their own hands.”*

### **Maximise career earnings potential**

The question posed was: ***Has the need for experience working in different organisations to maximise your earning potential been a reason you have left a previous employer?***

### **Youths' responses**

One of the youth participants said, *“People say, ‘I'm going to leave, get more money and a higher position, and come back here, and they will place me in a more senior position.”*

### **Bursary opportunities**

*Bursary opportunities* emerged as a code in Phase I of the study.

The question posed was: ***If your company offered you a bursary, would that act as an attractor or retainer for you?***

#### **Youths' responses**

The first participant responded: *"Definitely. Fees are very expensive, and if my company is offering to pay for my fees, why should I go anywhere else? And how can I repay them? Let me work. Let me give it back. That's the only way I know how."*

Another interviewee's view was: *"Yes, definitely. I want to do my Master's, and I think it would be great if a firm would pay for that. I'm not sure what I would like to do my Master's in, so, if we can sit down and decide together and they pay for that, that would be great."*

Youths see bursary opportunities as an investment in their future, and are prepared to stay with an employer who pays towards their studies. As one said, *"...investing in my future ... definitely would buy my loyalty."*

### **Learning and development opportunities**

#### **Youths' responses**

The question posed to the youths was: ***How important are learning and development opportunities to you?***

One interviewee responded: *"Pay is important, but development more so."*

The second question posed was: ***Respondents scored learning and development opportunities high, even higher than pay. Would you agree with that?***

One interviewee's response was: *"One hundred percent, because I was even willing to settle with the salary if they... could expose me to more organisational development stuff."*

### HR practitioners' responses

The question posed to the HRGs and specialists was: ***Do you receive many requests for training and development opportunities?***

One HRG responded in the affirmative, and stated that this is because such opportunities are linked to performance and career growth. The second HRG responded that his organisation received many requests for bursaries and study loans for employees' children, which are offered by the organisation and act as a retainer.

Two (67%) of the three HRGs confirmed that their companies offered a formal bursary programme, which contributed to the retention of their staff. These organisations also offered study loans. HRG response: *"You pay for your studies and, when you pass, you claim the money that you have paid back from the company. So, it's a bursary that pushes you to study and pass, and then you're going to get it back."*

Another specialist noted: *"We do offer bursaries, and employees ask about bursaries a lot."*

### Formal coaching or mentoring programmes

#### Youths' responses

The question posed to the youths was: ***Did having a coach or mentor influence your decision to join or stay with your organisation?***

The one participants view was that, *"Coaches are very important. I started a supervisor role ... it's trial and error. So, a lot of the times, it can't always be trial and error, especially when you're dealing with a team. So, I personally feel like I was thrown in with the whales and sharks."*

### HR practitioners' responses

The question asked was: ***Based on your experience, do coaching and mentoring programmes influence young employees' decisions to join or stay with your organisation?***

## APPENDIXES

The HR executive expressed the view that mentoring programmes work well and assists with retention. In her experience, employees who have been in a coaching or mentoring programme do stay longer with the organisation. following view: *“Working in corporate is not an easy place to work, so creating a buddy system could assist with retention. I have been a mentor, and the feedback has always been good.”*

The second HRG stated, *“Mentoring that we’re doing would be for top talent, who would go on a programme and be allocated mentors. Where they have allocated mentors, that worked well, and some of the people are still with the business. This improves retention and shows the seriousness around a particular programme.”*

The third HRG responded: *“Employees who are linked to a coach stay longer in the business.”*

### Work–life

The codes within this category were: *Flexible work arrangements* and *CSR*. The code *Travel/Location* emerged during the quantitative phase.

### Youths’ responses

The question asked was: ***What is your view on work–life, and how do you define this concept?***

The view of one youth was: *“For me, it means you cannot dedicate your entire life to a company, unless you own the company. It is knowing that, ‘Now I’m at work, I need to work, I need to push, I need to be productive, this is my knock-off time, I need to go home, I have my personal things I need to do.’ So, everyone has a life, and you need to understand that, as much as you’re working hard, you need to have your time with your family. You need to have your personal time, just your time, on your own, doing your things — a balance between your personal life and work. Sometimes, the one will overlap the other, so, sometimes, you have too many personal commitments, so you have to manage it, and vice versa. I don’t believe that your work should be your life. A lot of people do it because they are workaholics.”*

### HR practitioners' responses

The question asked was: ***What are employees asking for with respect to work-life?***

None of the companies of the HRGs and specialists had a policy on or approach to work-life.

### Flexible work arrangements

#### Youths' responses

The question posed to the youths was: ***How important would you say flexible work arrangements would be if you had to consider leaving or joining an organisation?***

The first participant said, *"Flexible hours would be great and would be important. They do not have a policy. It's set working hours, and they're not very flexible, but both jobs before this had that, and I loved it. I was responsible, so you don't take advantage of it, but I could work from home, and I would work and probably be more productive. That would be nice."*

The second participant's response was: *"Of all the things that you've asked me, this is probably the most important. So, the others are probably nice to have, and I would probably here or there change my mind, but if you had to tell me I could work flexible hours, I would grab that opportunity..."*

The third participant said, *"Flexible work arrangements are very important, more important than pay. I would be prepared to sacrifice salary to have more flexibility. This is very appealing. Managing my own time, perfect. It gives you a sense of responsibility and a sense of entitlement."*

The fourth responded: *"I believe I can manage my own time... I don't believe a clock or someone should manage this for me. The structure can be there for us to follow, but to say, 'That is the only way, there is no other way' is a little bit unreasonable."*

## APPENDIXES

The second participant added: *“I might negotiate around this and that, but it would definitely attract me...”*

The third participant said, *“I would value that, especially with my daughter being small. Now, I spend time in traffic to drop her off and in traffic getting back. I spend two hours on the road. Flexible hours would really help.”*

### **HR practitioners' responses**

The question posed to the HR practitioners was: ***Do you have any flexible work arrangement policies?***

The HR executive said, *“At best, they can consider flexible working hours whilst ensuring that the core teams are available during business hours” ... “With the traffic in Johannesburg, companies are going to seriously have to look at this option. Companies will also need to assist employees with setting up offices at home.”*

The third HRG responded, *“The company is very flexible and understanding when it comes to that, but it becomes very difficult for front-end staff.”*

One HRG added: *“Qualified employees or employees completing their MBA require this, because there are a number of days that they are not in the office. Definitely an important factor for career advancement. Moms with kids are looking for more flexibility ...”*

The response from the recruitment manager was: *“When they're looking for work, they don't ask, ‘Do you have flexitime?’ They want to be accepted. It's when they're inside that they ask. That's what I have found.”*

The OD manager responded: *‘Work-life balance and flexible work arrangements and CSR — I think they want it, but what I have observed is that we lost two people who left because they felt they were just too busy and they didn't have time for themselves, which has made us stop and say, “What is it that we're not doing right there, because our beliefs are, if you busy, that means you're more valued.” Sometimes people think*

*like that. 'Give me flexibility to do what I need to do, and I may be at home delivering.'*  
*The culture change — we're not there yet."*

### **Corporate social responsibility**

#### **Youths' responses**

The question posed to youths was: ***There is a high degree of awareness of social responsibility. Respondents viewed this as important when considering joining an organisation. What is your view?***

The participant responded: "... I'm goal-driven, so I would not focus on it." The third interviewee stated, "I'm not too concerned. I do a lot of community work. If the company does not do it, it's okay, and it's not make-or-break. If they do it, it's not necessarily going to attract me."

Another participant felt that, "It is important, and illustrates whether the company is a caring organisation creating happier people. CSR is indicative of the culture at the organisation."

#### **HR practitioners' responses**

The question posed was: ***There is a high degree of awareness of social responsibility. Respondents viewed this as important when considering joining an organisation. What has your experience been in this regard?***

One interviewee responded: "Employees are in awe of the initiatives, and it excites them. The business is in support and encouraged by the initiatives..."

The recruitment manager's view was: "Employees do not ask about CSR during the recruitment process..."

The OD executive's view was that: "CSR is important because it illustrates whether the company is a caring organisation."

### **Travel and location**



## APPENDIXES

*Travel and location* had emerged as a code during the quantitative phase of the study, and it is for this reason that there was no formal question linked to it.

### **Youths' responses**

A participant indicated: *"I've lived in Gauteng all my life; I don't see myself outside of Gauteng, unless they make me such a good offer that I can't say no."*

### **HR practitioners' responses**

One HRG her response was: *"Location is important, but does not influence turnover. Employees have gotten so used to traveling in traffic in Johannesburg."*

The second participant's response was: *"Location initially does play a role in employees' decision, until you explain to them that it's not that far. Employees would relocate or travel if it was a career advancement opportunity."*

One recruitment specialist her response was: *"Some people come here, and, after a few months, they say that they want a transfer, citing their family, or something happens to the family. But location does play a big role."*

The second recruitment specialist's response was: *"I have had a few people who have turned down offers for travel. For some cultures, what's very important ... its family, and they're going to be starting a family, they're going to get married. If you're not going to support them with that, and they're not going to get their leave, they are not interested. So, that work-life balance is important."*

The remuneration specialist's view was: *"Location is important for employees, and an area that they can improve on, which requires attention. There are, however, not that many cases."*

### **International travel opportunities**

*International travel opportunities* emerged as a code from the questionnaire in Phase I.

### **Youths' responses**

The question posed to the youths was: ***Would you be interested in an international travel opportunity?***

### **Youths' responses**

The response from one of the participants was: *"Definitely. An experienced person can go and come back and give the information, but, I think, you can get a lot more from a younger employee. They limit your growth when it comes to those kinds of things, because they believe only certain people can do it."*

A second participant responded: *"That is very important. ...I think every employee needs to have the opportunity to travel. It opens your mind to bigger-picture thinking. You're meeting with people. You're interacting with different people. So, for me, that is essential."*

### **Safety/Security**

In this category, the researcher addressed the codes *Longer-term job security* and *Safe and secure work environment*, including interviewees' expectations. The code that had emerged was *Company reputation*.

### **Longer-term job security (> 12 months)**

The question posed to the youths was: ***How important is longer-term job security to you?***

### **Youths' responses**

This proved to be very important to the participants. It meant something different to each, and each had a different perspective on the matter and they all noted the importance of having secure employment.

### **HR practitioners' responses**

The question posed was: ***Are you finding that youth employees are seeking longer-term job security more than previous generations?***

The opinion of the HRGs was: *"There has been restructures based on operational requirements, because the business has changed in those companies. They've got*

## APPENDIXES

*insecure employees like you can't believe. We've had people resign because they feel they don't have job security. I think it's a major thing."* Another HRG confirmed this statement, saying: *"Employees are seeking longer-term job security."*

The next question was: ***Do you find employees are asking, when you interview them, if you're going to restructure?***

The recruitment specialist responded: *"They do not at interview stage, because they assume that we are okay. But it is those inside, and then the new ones, because they're worried that they will apply last-in-first-out, so, they do."*

### **Social support**

This category included *Supportive management, Supportive environment, and Resources*. Additional codes emerged from the findings of Phase I of the research, specifically the responses to the open-ended questions, which the researcher clustered in this category, due to association. These were: *Working conditions, Environment, and Leadership*.

### **Supportive management and environment**

The question posed to the youth was: ***Supportive management scored higher than Supportive work environment. What are your views in this respect?***

### **Youths' responses**

This was illustrated by one interviewee's apportionment of *"Leadership 60% and 40% environment."*

Work environment proved to be an important one of the participants stated: *"If the environment is great, I would even accept the position if it was only for two years."* Another interviewee commented: *"For me personally, environment is the most important, leadership and culture, and then pay."* A third interviewee stated, *"Another thing that will make me turn down an offer at a company is working conditions."*

### HR practitioners' responses

The question posed to the HRGs and specialists was: **Supportive management was scored higher than Supportive work environment by the respondents, illustrating the importance of leadership. What are your views in this respect?**

One HRG executive responded: *"We do an annual poll, called the Employee Satisfaction Index, and you can see the correlation between performance, general happiness, and mood in the environment and leadership. Where you have strong leaders, the scores are up there, and the comments even go to the extent of saying 'That executive is the best; my company is the best company to work for.' ...of course, the work environment, because people are engaged, and they know that they are taken care of. So, leadership is key. In areas where the leader is autocratic and does not care so much, we have seen scores go down. Employees need to be taken care of."*

The second HRG responded, *"Supportive management and supportive environment is very important and viewed as one of the areas or reasons why employees thrive, and the reason for leaving where they don't."*

The recruitment manager's view was that supportive management is more important than a supportive environment, stating: *"It is important to have supportive management."*

The OD specialists stated: *"Leadership is much more important than pay. Leadership determines the culture and creates the environment in an organisation, and it's important that there is a balance between the two. I think it was leadership, then pay", the specialist said.*

### Resources

The question the researcher posed to the youth was: **How important are resources that enable you to do your work to you?**

The youth were in agreement that resources are very important to them.

### HR practitioners' responses

The question the researcher posed was: ***What importance do employees place on the resources they are provided with to do their jobs?***

One HRG responded: *"The device that you give them to work from is important, and will, in the future, become an issue."* Another HRG commented: *"Skilled employees are more interested in this, and ask the question if they will receive a laptop or desktop; even graduate employees. Resources do create a sense of status."*

The remuneration specialist's responded: *"Especially with today's youngsters; first thing they ask is, 'When I can get my laptop and my cell phone' and all of that."*

Appendix C, described the main findings from obtained in Phase II of the research. It provided a summary of each of the groups' responses by category and code, aligned with the framework of the research.

## APPENDIXES

### Appendix D: Transcripts by category and code

Category	Code	Case	Text	Coder	% Words
Remuneration	Salary / Pay	Youth Interviewee	When you thinking of joining a company what is the most important things for you? What do you consider to be the most important things? Obviously salary bracket Salary bracket which means what? Obviously pay but in the sense that I am being paid based on where I am in line with my qualifications and my work experience. So when I say I don't mean I will work anywhere for high salary. Because my salary is too high I'm not going to, not in line with what I've done then my work experience then obviously something is wrong then it's not feasible so it has to be aligned with what I have and my work experience so that's how I would but obviously that's how the country is structured right now, you have to live so everything is about money.	Admin	1.10%
Remuneration	Salary/ Pay	Youth Interviewee	I would say more than pay.	Admin	0.00%
Remuneration	Salary/ Pay	Youth Interviewee	I would say more than pay. If I could save more now towards my retirement that would be beneficial for me because I would rather live average now and then when I retire I know I'm totally comfortable.	Admin	0.30%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
Remuneration	Salary/ Pay	Youth Interviewee	So you would sacrifice pay for retirement benefit? RM: I would, definitely	Admin	0.10%
Remuneration	Salary/ Pay	Youth Interviewee	Keshia: So pay remains a big motivator but not the biggest motivator? Is that what you saying? correct for me not (Narrative: So pay remains a big motivator but not the biggest motivator).	Admin	0.30%
Remuneration	Salary/ Pay	Youth Interviewee	RM: I would prefer to keep my basic the way that it is because it's not meaty. So to decrease it means I must drop my lifestyle and that I have already adapted around that pay. So the pay is not that good. So for me to take a drop in that it's going to put me in a corner with regards to day to day living.	Admin	0.50%
Remuneration	Salary/ Pay	Youth Interviewee	it would all depend on the package they offering me.	Admin	0.10%
Remuneration	Salary/ Pay	Youth Interviewee	No it wouldn't if the pay is in line.	Admin	0.10%
Remuneration	Salary/ Pay	Youth Interviewee	Keshia: so if you had that kind of environment would that make you, would that be more important for you than pay? RM: definitely. Happiness in what you do is more important for me than pay. Pay is a very important factor based on our lifestyle. So you can't run away from it and say money is not important. I really enjoyed the job I did with the traveling and asset verification.	Admin	0.60%
Remuneration	Salary/ Pay	Youth Interviewee	RM: agree with ranking. Don't believe that you must have a low salary because you have medical aid and retirement fund.	Admin	0.20%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
Remuneration	Salary/ Pay	Youth Interviewee	Salary was important but not the main thing because I'm still living with my parents and don't need to stand on my own 2 feet.	Admin	0.20%
Remuneration	Salary/ Pay	Youth Interviewee	If you had to look for a permanent position what would be important? Definitely salary and benefits like medical aid or a big enough salary so that I can afford my own medical aid and enough to afford an apartment, insurance and petrol.	Admin	0.30%
Remuneration	Salary/ Pay	Youth Interviewee	Are you happy with what you getting? If I did not have my parents it would be very difficult, it's not a lot of money. I'm not happy but I can't complain because that is the custom.	Admin	0.30%
Remuneration	Salary/ Pay	Youth Interviewee	Comparing to pay which is more important? I think it's a balance of importance. You can keep going up but also have pay.	Admin	0.20%
Remuneration	Salary/ Pay	Youth Interviewee	If you had to sacrifice the pay would you be comfortable to do that? I think to remain positive and keep wanting to go I would have to be compensated. So I think if I don't get enough pay then I'm probably not going to want to grow in that firm and want to go somewhere else.	Admin	0.50%
Remuneration	Salary/ Pay	Youth Interviewee	Now, everything has changed, because now my responsibilities are bigger. I had my baby and it would definitely be remuneration and I would not just leave because there is still things I need to achieve	Admin	0.50%



## APPENDIXES

Category	Code	Case	Text	Coder	% Words
			here and fairly new just over a year so the only thing that would cause me to move is a good salary. (Remuneration a top priority).		
Remuneration	Salary/ Pay	Youth Interviewee	I have and even when moving from previous company even though knowing what I am really moving for and it was jobs that was based in JHB the offer was just not worth my while strategic priorities I just turned it down because it was one of the reasons.	Admin	0.40%
Remuneration	Salary/ Pay	Youth Interviewee	Look it depends what the other benefits are so I would weigh my options. If the overall total package is good and you can just put aside an amount I can just compromise on that.	Admin	0.30%
Remuneration	Salary/ Pay	Youth Interviewee	For me personally environment is the most important, leadership and culture and then pay.	Admin	0.10%
Remuneration	Salary/ Pay	Youth Interviewee	When considering an offer how important is pay? Pay is important to maintain your standard and must get a % above what you getting around 20%.	Admin	0.20%
Remuneration	Salary/ Pay	Youth Interviewee	Compared to pay career development is very important.	Admin	0.10%
Remuneration	Salary/ Pay	Youth Interviewee	If it's a great opportunity and the pay is good would accept and not be concerned with long term job security.	Admin	0.20%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_HRG	With pay what we're testing is pay the most important thing? But it's not I follow the research career development and advancement was number 1 and training.	Admin	0.60%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_HRG	When people were applying for positions at your organisation what was the importance of pay? People are coming from the same industry and the industry pays similarly based on benchmarking but what would differentiate even be before we changed the structure people would leave for R500 because they felt it will add value and they need more.	Admin	1.20%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_HRG	The commission is calculated based on the basic salary so it's good to have a higher basic. That changed everything the more sales they sell the more profitable cars they sell the higher the basic salary and the higher their revenue and when you do an analysis of people who are not in sales functions who have a big basic salary and you look at the motivation and total cost to company how much does it pan out the sales guys they top the scales. The employee who is earning a basic salary which is guaranteed but the guy who is earning commission. Now you realise some of the guys are even buying houses cash because the commission is great but also the psyche of a sales person is that of a risk taker because you go in not know what you going to earn because it's not guaranteed. Sales people are motivated to earn and earn more money so the more	Admin	3.80%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
			rewards we give the harder they work and more excited they become to get every cent that they can get.		
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_HRG	Did you find employees turned down offers because of the basic salary that you offered? because we needed them badly we would give them what they want but the problem is then they would create anomalies in the system and when we did the revision when we did the retention strategy we had to look across because then you had people complain because that created problems as well and people compared their salaries to the new joiners who negotiated better packages.	Admin	1.70%
Remuneration	Salary / Pay	Appendix Interviews Transcribed_HRG	What were some of the main reasons that people turned down offers? It would be things like your models are old, sales people are not loyal to a brand they are loyal to the money that they get so if your competitor has new brands they will leave you so the product profile is important and this helped a great deal when the products improved and they were targeting the whole market segment all ages groups. When the profile is great you don't have to solicit customers they come and the young customers will find a young employee there.	Admin	2.10%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_HRG	Are you finding that your younger employees are also more interested? They are and unlike during our time they bargain their salary. They have an expectation and negotiate upfront what they are looking for.	Admin	0.70%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_HRG	Pay features high. Probably the number one factor with young talent. People are happy. Benefits don't feature as high as pay in pocket. Employees push for a higher basic.	Admin	0.60%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed Recruitment Specialist	Keshia: When employees join when you doing the recruitment do employees place a lot of significance on the offer in terms of the monetary that you offering them? RT: Yes, for me I would say 99.9% for example we don't disclose the amounts the salary that we offering. So people will call and still ask and then you ask do you want the job or do you want money and some people will tell you blatantly I want the money. The money issue, the salary is highly important and obviously for different reason to different people.	Admin	3.40%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed Recruitment Specialist	Keshia: Do you find employees are turning down offers because of pay? RT: Yes, not a lot. XXX is good at satisfying people. There is a lot of people who saying this is not what I want and I want this and they try and accommodate but some people do turn down the offers. Nothing else because of the pay.	Admin	2.10%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
Remuneration	Salary/ Pay	Appendix Interviews Transcribed Recruitment Specialist	How important is pay? What importance do people place on pay? From industry to industry it differs people are not just looking at cash People are more into self-education they are not relying on the companies anymore they saying you don't choose me I also choose you and my career is in my hands Employers consider pay but also benefits and are clear about what they want They are crystal clear about what they want and very competitive. They have their goals.	Admin	2.90%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed Recruitment Specialist	Allot of the youngsters want contract positions so that they can earn more, the more they earn the better.	Admin	0.70%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed Recruitment Specialist	The younger guys in it many are on contract positions and in it to make quick cash. People don't want to work for 5 years they give a company tops a year or two.	Admin	1.20%
Remuneration	Salary/ Pay	Appendix Interviews	When asked what do they want, money or the benefits they said the money.	Admin	0.50%

## APPENDIXES

Category	Code	Case	Text	Coder	% Words
		Transcribed Recruitment Specialist			
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_OD Specialist	It's still top of the list with us and then followed by flexibility and allow me to innovate. I think it was leadership then pay.	Admin	1.20%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_OD Specialist	Leadership is much more important than pay. Leadership determines the culture and environment in an organisation and it is important that there is a balance between the two.	Admin	1.30%
Remuneration	Salary/ Pay	Appendix Interviews Transcribed_OD Specialist	When considering an offer how important is pay? Pay is important to maintain your standard and must get a % above what you getting around 20%.	Admin	1.20%

**Appendix E: Editing certificate**

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This serves to certify that the document

**A Total Rewards Framework for the Attraction and Retention of the  
Youth**

by

**Keshia Mohamed-Padayachee**

was duly edited by me.

I am an accredited editor with the University of Johannesburg, and my clients include Absa, FNB, Takelaot, and many universities in South Africa and Namibia.

**Please note that all editing is done in *Track Changes*, and I therefore have no control over what is accepted or rejected by the author.**

Should there be any queries, please contact me on the number provided above.

*Teresa Kapp*